

**AGENCY FOR INTERNATIONAL
DEVELOPMENT**

USAID/CAUCASUS – GEORGIA

RESULTS REVIEW

AND

RESOURCE REQUEST

FY 2002

Date Prepared: March 13, 2000

Please Note:

The attached FY 2002 Results Review and Resource Request ("R4") was assembled and analyzed by the country or USAID operating unit identified on this cover page.

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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Released on or after Oct. 1, 2002

USAID/Caucasus – Georgia
Results Review and Resource Request - FY 2002
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List of Acronyms

ABA/CEELI	American Bar Association/Central and Eastern European Law Initiative
ACDI/VOCA	Agricultural Cooperatives Development International/Volunteers in Overseas Cooperative Assistance
ADRA	Adventist Development and Relief Agency
AED	Academy for Educational Development
AIOC	Azerbaijan International Operating Company
CAC	Citizens Advisory Council
CBO	Community-Based Organization
CEC	Central Electoral Commission
CIS	Commonwealth of Independent States
COE	Council of Europe
COJ	Council of Justice
CSO	Civil Society Organization
DG	Democracy and Governance
DOJ	U. S. Department of Justice
EBRD	European Bank for Reconstruction and Development
ECHO	European Community Humanitarian Organization
ENI	Bureau for Europe and the New Independent States (USAID)
ENKI	Georgian Intermediate Credit Foundation
EU	European Union
EU/TACIS	European Union/Technical Assistance to the CIS
FDI	Foreign Direct Investment
FPP	Four-Point Program
FINCA	Foundation for International Cooperative Assistance
FSA	Freedom Support Act
FSU	Former Soviet Union
GIC	Gas International Company, state-owned gas transmission company
GIOC	Georgian International Oil Corporation
GNERC	Georgia National Electricity Regulatory Commission
GOG	Government of Georgia
GYLA	Georgia Young Lawyers Association
GTZ	German Technical Assistance Agency
GWHAP	Georgian Winter Heating Assistance Project
IAS	International Accounting Standards
IDP	Internally Displaced People
IESC	International Executive Service Corps
IFC	International Finance Corporation
IFES	International Foundation for Electoral Systems
IFRC	International Federation of Red Cross and Red Crescent Societies
IIEC	International Institute for Energy Conservation
IMF	International Monetary Fund
IOCC	International Orthodox Christian Charities
IR	Intermediate Result
IRC	International Rescue Committee

IRI	International Republican Institute
IRIS	Institutional Reform and the Informal Sector
IRM	Information and Resources Management (USAID/Washington)
ISAR	Institute for Social Action and Renewal
ISFED	International Society for Fair Elections and Democracy
JOG	Judges of Georgia
MEP	Main Export Pipeline
MOFE	Ministry of Fuel and Energy
MOE	Ministry of Environment
MOH	Ministry of Health
MPP	Mission Performance Plan
MT	Metric Ton
NAPA	National Academy for Public Administration
NBG	National Bank of Georgia
NDI	National Democratic Institute
NIS	New Independent States
NEAP	National Environmental Action Plan
NGO	Non-Governmental Organization
ODIHR	OSCE's Office of Democratic Institutions and Human Rights
OSCE	Organization for Security and Cooperation in Europe
PFP	Policy Framework Paper (World Bank)
PRM	Bureau for Population, Refugees and Migration (State Department)
PVO	Private Voluntary Organization
ROL	Rule of Law
Sakenergo	Electricity Dispatch & Transmission Company, state-owned
SCF	Save the Children Federation
SIF	Georgian Social Investment Fund (World Bank Sponsored)
SME	Small and Medium Enterprises
SMEDA	Small and Medium Enterprise Development Agency
SO	Strategic Objective
SRO	Self-Regulating Organization
SWIFT	An International Electronic Payments System
UMCOR	United Methodist Committee on Relief
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission on Refugees
UNICEF	United Nations International Children's Fund
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USEA	United States Energy Association
USIA	United States Information Agency
USIS	United States Information Service
WB	World Bank
WEM	Georgian Wholesale Electric Market
WFP	World Food Program
WHO	World Health Organization
WTO	World Trade Organization

Cover Memorandum

USAID/Caucasus wishes to take this opportunity to call two issues to the attention of USAID/Washington. The first deals with funding levels for the Georgia program, and the second deals with the implications of doubling Azerbaijan's program.

Georgia occupies a position of special importance to the U.S. because of its strategic location. It also represents a special challenge for USAID, which has repercussions beyond Georgia's borders. As a country which has sought close relations with the U.S., and as a country that has tried to follow many of the prescriptions for the reform of its economy and political system, it can be argued that Georgia has a special claim on the U.S. for support and assistance.

The USG has responded generously – between 1992 and 1999 U.S. assistance to Georgia amounted to \$733 million. As a result, the USG and Georgia have collaborated on a wide variety of reform efforts. USAID has been at the center of many of these efforts. The results reported in the R4 are ample evidence of the value of this joint effort. Yet, as noted in the R4, the pay-off for the Georgian people has not been uniform in all sectors.

Recent events have demonstrated that the reformers in the Georgian Government may be willing to tackle the really tough issues of corruption, poor revenue collection, and poor control over the Government's budget. One reason why the President and his ministers are willing to publicly state that top priority must be given to tackling corruption and tax/fiscal crisis is the support being provided by USAID. Under these circumstances, any reduction in U.S. assistance levels in general – and USAID's share of those funds particularly could send the wrong message to our Georgian friends and colleagues.

The dip in FY 2001 funding will require a major programmatic adjustment and will be difficult to explain when the time comes. USAID's decreasing share of what appears to be an increasing pie also is difficult to explain. We will be seeking a share of Performance Funds to make up some of the expected funding shortfall, including for special initiatives to be undertaken under the Four-Point Program. We hope USAID/Washington will work with the Mission to assure that Georgia receives an assistance level which reflects Georgia's importance and close ties to the U.S. and which recognizes Georgia's efforts to pursue the reform path. We also hope the USAID share of assistance funds will reflect the pivotal role USAID is playing in supporting Georgia in its reform and transition efforts.

As noted in the Azerbaijan R4, planned increases in assistance levels in Azerbaijan will require expanded staffing, not only in Baku but also in the Tbilisi Regional Mission headquarters. One component of the supplemental OE budget request for additional funds in this R4 is for a second Contracting Officer. The Regional Contracting Officer already is stretched thin supporting Armenia, Georgia and Azerbaijan. Doubling the size of the Azerbaijan program will result in an expansion of procurement actions that will exceed his capacity. We recognize the current shortfall in journeyman USDH Contracting Officers and, therefore, propose the assignment of a NEP officer. We are fortunate in having a highly experienced Contracting Officer who would be well able to provide mentoring and on-the-job training to a newly hired officer.

Part I: Overview and Factors Affecting Program Performance

Summary

During FY 1999 USAID/Caucasus reached a sufficiently satisfactory situation in terms of its physical plant and staffing to permit it to function as an effective, coordinated operating unit. Perhaps the most significant manifestation of this improved situation was the development of a Strategic Plan for Georgia, which was approved in June 1999. FY 1999 was also a transitional year as the Mission began to move the program in the direction called for in the Strategic Plan, winding down some activities and ramping up new ones. While this R4 is based on the new Strategic Plan and Results Framework, the transition is evident in the SO narratives, which discuss results obtained from activities that have or will soon close as well as newly initiated activities. The SO indicators contained in this R4 are the ones that will be used in the years to come to report progress in achieving the objectives of the new Strategic Plan. They have been taken from Performance Monitoring Plans that have been developed since the approval of the Strategy. To some extent this indicators should be considered “works in progress” and subject to refinement.

From the perspective of results, USAID-supported activities made significant headway in helping Georgia move toward a stable, free market economy with a democratic government. During FY 1999, USAID continued to play a critical role in Georgia’s establishment of a macro-economic framework that will serve as the basis for future growth. Two major accomplishments were Georgia’s accession to the WTO and the conversion of the country’s accounting system to internationally acceptable standards. A significant portion of Georgia’s energy sector was privatized during FY 1999 and the legal and regulatory framework supporting energy privatization was put into place. NGOs and the media played a significant role in the free and fair parliamentary elections that were held last fall. The Judiciary took a giant step forward with the appointment of 184 judges who had passed a qualification exam to the most active courts. At the same time, USAID continued to play an important role in fulfilling USG commitments to help Georgia meet the humanitarian needs of internally displaced persons (IDPs) and other vulnerable groups.

U.S. National Interests

U.S. national interests require a politically and economically stable Georgia as part of a stable Caucasus region because the region is at a geographic crossroads that borders states with potential volatility, such as Russia and Iran. Equally important to the U.S. is Georgia’s vital position as a Caucasus transit country for oil and gas for the U.S. and the West. Achieving stability goes to the core of Georgia’s need to restore its territorial integrity, strengthen its sovereign status and build a nation with socio-economic and political standards accepted by western states and international institutions. Successful transition to a market economy and a democratic society are the means for Georgia to attain a strong, stable and enduring society that will shape a positive commercial and political relationship with the U. S. and the West. As the linchpin of the Eurasian corridor for Caspian Basin oil and Transcaucasus gas transport to western markets, the importance of a stable Georgia cannot be overstated. Georgia maintains a policy of openness to the West, and actively seeks closer and stronger formal ties with the U.S.

and Europe. USAID has played and will continue to play a pivotal role in fostering Georgia's transformation to a stable, market-oriented, democratic country. This central role is recognized in the U.S. Mission's Performance Plan. A strong and excellent bilateral relationship exists between the U.S. and the Government of Georgia (GOG), which provides the foundation for implementing USAID's Strategic Plan.

Factors Affecting Performance

1999 was a difficult year for the Georgian economy. Following two years of strong economic performance, growth stopped in the third quarter of 1998 as the consequence of the severe economic downturn and financial crisis in Russia. The economy continued to perform poorly in 1999, with an estimated GDP growth rate of only 3 percent, half of which was due to the recovery of the agriculture sector from a severe drought in 1998. Official foreign investment fell by 40 percent. The education and health sectors experienced their third consecutive year of negative GDP growth bringing the overall decline in GDP in these sectors to 10 and 18 percent respectively. The Lari lost between 6 and 9 percent against the dollar in 1999. Despite a second year of acknowledged poor performance in the execution of fiscal policy, inflation was held to about 11 percent on a calendar year basis by means of restrictive monetary policies. Also for the second year, the GOG was able to collect just two-thirds of the targeted amount of revenue, which represents 8 percent of GDP. Georgia's near-term economic growth prospects were clouded by investors' concerns that Georgia is a high-risk country. These concerns are reflected in the lack of foreign investment (except in the petroleum sector) and result from high real domestic interest rates, lack of confidence in commercial banks, corruption and high tax rates.

Arguably, Georgia has put into place most of the legal and regulatory framework required by a modern, market-oriented and democratic state. It is led by a reform-minded President and Parliament. Unfortunately, a culture of corruption and many unreformed governmental institutions have frustrated the reformers and prevented Georgia from reaping the rewards of reform. As a means of focussing the GOG's attention on the situation and eliciting the high level commitment necessary to bring about change, GOG and U.S. Mission officials developed a Four-Point Program. The program defines four areas which require urgent attention: 1) anti-corruption; 2) revenue enhancement; 3) civil service and administrative reform; and 4) improving the budget process and controls over government expenditures. Working Groups co-chaired by Senior Georgian government officials and the appropriate USG officers, in close coordination with other Georgian counterparts and other donors, will undertake needs assessments and develop detailed work plans for U.S. assistance in these areas. USAID will be in the forefront of efforts relating to anti-corruption, revenue enhancement, and the Government's budget processes. The success of this effort will depend on the strong commitment, political will, and the allocation of sufficient internal resources from the highest levels of the GOG.

Assessment of Program Performance

During FY 1999, USAID continued to play a critical role in helping Georgia to establish a macro-economic framework that will serve as the basis for future growth. Highlights of activities include WTO accession and the conversion of the country's accounting system to

internationally acceptable standards. USAID assistance led to the privatization, registration, and titling of over 300,000 agricultural land plots, with one million expected to be privatized in FY 2000. A significant portion of Georgia's energy sector was privatized during FY 1999 and the legal and regulatory framework supporting energy privatization was put into place. USAID supported the drafting and passage of the new "Law on Oil and Gas" in April 1999, which established a "one-stop shop" to negotiate contracts and permits required for the exploration and production of oil and gas reserves

Four of the largest political parties, opening party decision making to a broader constituency, adopted a USAID-supported caucus system for the selection of majoritarian candidates. Free and fair parliamentary elections were held using a transparent process that had candidates engaging in public campaigning using free and independent media. A landmark Freedom of Information section was incorporated into an equally landmark new Administrative Code. The Judiciary took a giant step forward with the use of a USAID-supported new merit selection process in the appointment of judges, based on judicial qualification exams and vetting procedures. 184 qualified judges were appointed to the most active courts in 1999.

USAID continued to play an important role in fulfilling USG commitments to help Georgia meet the humanitarian needs of internally displaced persons (IDPs) and other vulnerable groups. FY 1999 activities provided winter heat to the poor and elderly, supported youth development activities, health partnerships, nurses training, reproductive health, immunizations, and infection control. Humanitarian activities encouraged those affected by the conflict to become more self-reliant by supporting the creation of small businesses which can generate and maintain income, and create sustainable employment for vulnerable households in regions throughout Georgia.

Prospects for Progress

For Georgia to succeed in making the transition to a free market economy and democratic form of government at all levels, and for the people of Georgia to reap the rewards of the successful transition, corruption must be brought under control and the country's bureaucratic institutions must be transformed. USAID believes the President, senior-level officials and members of Parliament are committed to confronting and dealing with the problems that face Georgia. Their willingness to do this is at least partly based on the knowledge that USAID resources are available to help them. About 25 percent of USAID funding is directly focussed on the crucial areas of the Four-Point Plan described above and almost everything else USAID will do indirectly supports change in the four areas. However, it would be unrealistic to minimize the difficulties that lie ahead. A fundamental change in attitude of the vast majority of people toward government institutions and the culture of corruption will be necessary for Georgia to succeed.

R4 Part II: Results Review by SO

SO 1.3 Accelerated Development and Growth of Private Enterprise

Country/Organization: USAID Caucasus - Georgia

Objective ID: 114-013-01

Objective Name: Accelerated development and growth of private enterprises

Self Assessment: On Track

Self Assessment Narrative: In FY 1999 the various activities achieved results ranging from expected to better than expected. Previously reported indicator targets were achieved.

Primary Link to Strategic Agency Framework: 1.1 Private Markets
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input checked="" type="checkbox"/> 1.2 Agricultural Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Education/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Education/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Open Markets

Summary of the SO:

This strategic objective helps accelerate development and growth of private enterprise in Georgia through a multi-year economic reform program, providing comprehensive assistance with accounting reform, commercial law, and market development for Georgian products.

With the broad policy and legal framework in place and WTO accession on track, USAID/Caucasus proposed four intermediate results in the new Strategic Plan: increased access to credit by domestic SMEs; reduced transaction costs for enterprises; functioning land and real estate market to support SME growth; and selected agribusiness opportunities identified and facilitated. These IRs specifically address the problems that need to be resolved for continued private sector growth in Georgia. SO 1.3 forms the backbone of USAID assistance for economic reform in the proposed Strategic Plan. The focus on enterprise development and an improved business environment are key components in the Strategic Plan.

Key Results:

In what is considered a transition year for the USAID/Caucasus economic restructuring programs, we have achieved key results in some areas of both the previous and new strategies. In 1999, Georgia was placed on the fast-track for World Trade Organization (WTO) accession, and on October 6, 1999, the WTO General Council approved Georgian accession. USAID played a large role in Georgia's success by providing support through IRIS in negotiations and the development of regulations to ensure compliance with WTO standards. WTO accession will be a major benchmark in terms of making Georgia attractive to foreign investors. The Parliament of Georgia is expected to ratify accession in March/April 2000.

Other key results include: 330,000 agricultural land parcels surveyed and registered to individual owners; passage of the Amendments to the Law on Entrepreneurs and the Law on Securities Markets; improved access to credit for SMEs and micro-entrepreneurs; the legal requirement for conversion to International Accounting Standards (IAS); tax enforcement reforms that brought in more than 60 million GEL (\$30million) in revenue.

Performance and Prospects:

In FY 1998, USAID made a number of significant contributions that helped improve the environment for private enterprise development. In FY 1999, USAID continued to solidify the macro-economic reform effort with additional assistance in tax/fiscal reform, accounting reform, targeted privatization of enterprises, and WTO accession. However, a number of impediments to enterprise development remain, including limited access to credit, the regulatory environment, pervasive corruption, lack of public awareness, and the lack of credible business services and support available to SMEs. To this end, USAID will continue to support increased access to credit and business-related services for SMEs – particularly in the agricultural sector, legal and regulatory reform, improvements in tax administration, reductions in transactions costs for enterprises, the development of a private land market, and a more commercially viable financial sector.

IR1.3.1 Increased Access to Credit by Domestic SMEs and Micro-Entrepreneurs: The USAID-funded Caucasus SME Finance Program, being implemented by Shorebank and FINCA was marked by substantial progress during the year in the number of partner financial institutions and in the broadening of the range of financial products offered to micro-enterprises and SMEs. This

year was also marked by vigorous geographic expansion of the program with Shorebank operations expanded through branches of partner commercial banks outside Tbilisi, specifically to Kutaisi (Western Georgia) and Rustavi (Eastern Georgia), and FINCA's new satellite office in Rustavi. The SME lending program approved 35 loans and disbursed over \$1.33 million in 1999, with another \$308,000 approved but not yet disbursed. The Developing Enterprise Loan Program (DELP), a new bridging product, approved 22 projects and disbursed \$56,000.

FINCA lending tripled its original lending estimate targets for the year. It disbursed close to \$1.22 million in 1999, including \$44,700 through its newly created bridging products - Small Enterprise Loans (SEL) and Progressive Loans (PL). By the end of 1999, FINCA reached 107 percent operational self-sufficiency instead of the targeted 47 percent. With 3,926 clients by the end of 1999 (75 percent women), it anticipates lending to 12,000 borrowers through 2001, and maintaining a "Portfolio at Risk" of less than 5%. Shorebank envisions credit outlays to SMEs totaling approximately \$11.5 million through 2001, and also plans to expand its program to include property appraisal and real estate-based lending technical assistance. USAID also provides training and technical assistance for firms, and business and professional associations to strengthen their ability to better access and utilize credit.

IR 1.3.2 Reduced Transactions Costs for Enterprises: The tax laws in place are fundamentally sound, but a comprehensive set of regulations are required. Implementation of the laws and regulations remain a problem. The Tax Code which was translated from English is full of ambiguities in Georgian. USAID materially supported an effort by the American Chamber of Commerce to go through the entire Code to identify such ambiguities and suggest appropriate solutions. Tax administration continued to be very poor, with attempts at professionalization hindered by entrenched attitudes and a compensation structure that, were it to be reliably paid, still would not provide a living wage. Tax administration is so poor that Georgia has the lowest tax revenue/GDP ratio in the NIS. In other NIS countries, the ratio averages more than twice the level in Georgia. The budget deficit is expected to be about 300 million GEL (\$153 million), with the bulk of the deficit accumulated in the last half of the year around the time shortly before and after the Parliamentary elections (October 1999).

In an effort to correct this problem as soon as possible, USAID, the U.S. Treasury, and our GOG counterparts, with the support of the World bank and the IMF, devised a short term revenue mobilization plan that focused the efforts of newly formed enforcement teams on the control of white oils and excise stamps. In addition, USAID developed a detailed implementation plan that will fundamentally restructure the Tax Department. The comprehensive plan proposes to guarantee a living wage to the employees of the tax department, reduce the number of employees by around 40%, replace the management of the Regional Tax Inspectorates (RTI's), and test the employees of the tax department against the skills required for each job in the Tax Department. Organizationally the number of full RTI's would be reduced from 74 to around 30 and those full RTI's would be restuctured along functional lines, computerized, and linked by a communication system. A joint USAID-U.S. Treasury Tax Assistance Program is being prepared in close coordination with other donors and the GOG. The new program has been designed to implement the comprehensive plan for the reform of the tax department mentioned above. Implementation of the plan will involve fundamentally reforming all aspects of the Tax Department, including

functionalization, computerization, compensation (living wage), human resources, internal controls, training, tax policy, and Tax Code regulations.

There were two bright spots in the tax reform area. USAID led the effort to introduce excise stamps on cigarettes which resulted in over 60 million GEL (\$30 million) raised in 1999. In addition USAID designed a program to collect arrears at the Large Tax Inspectorate (LTI) which collected several million Lari in 1999.

IR 1.3.3 Functioning Land and Real Estate Market to Support SME Growth: In accordance with Presidential Decree No. 327, USAID has been supporting the registration of ownership rights in agricultural and commercial land parcels, as well as the registration of rights arising out of secondary transactions (e.g. mortgages, resales, and leases). USAID uses existing Georgian technology, expertise, and information to provide on-the-job training and assistance to local registrars in carrying out the registration efforts. To date, the project has accomplished the ownership registration for more than 330,000 agricultural land parcels and 4,000 enterprise land parcels, as well as resales and mortgages of enterprise land parcels. The registration methods are largely manual with some automation used to accelerate the initial registration. All enterprise land transactions have been conducted in the regions.

IR 1.3.4 Selected Agribusiness Opportunities Identified and Facilitated: The activities implemented to achieve this result are closely tied with the credit activities described under IR 1.3.1. USAID is helping to build a sustainable credit system for agri-businesses and farmers throughout Georgia through the ACDI/VOCA SEED Project with about \$1.5 million in loan capital. FY 1999 was marked with substantial expansion of the system through the establishment of four new credit cooperatives/associations in Western and Eastern Georgia, in addition to the central management unit, Enke Foundation, and three cooperatives created in the previous years. By the end of 1999, the system embraced more than 730 clients and was processing loans in all seven locations while charging market interest rates. As a result, over 3,000 hectares of agricultural land have been utilized throughout Georgia and more than 1200 jobs have been created. Loan delinquency and defaults have been less than 2 percent. In the FY 2000, working at the community level the program will promote creation of one more credit cooperative and the loan capital will reach more than 1000 clients.

Possible Adjustments to Plans :

With the broad policy and legal framework in place and WTO accession on track, USAID/Caucasus will pursue the four intermediate results detailed above under the new Strategic Plan. These IRs specifically address the problems that need to be resolved for continued private sector growth in Georgia. SO 1.3 will form the backbone of USAID assistance for economic reform in the proposed Strategic Plan. The focus on enterprise development and an improved business environment are key components in the Strategic Plan.

Other Donor Programs:

Both the World Bank and GTZ have activities addressing land privatization. The World Bank, EBRD, EU/TACIS, GTZ, and UNDP are supporting SME development with various projects including access to financing, technical assistance, grants, and institutional development.

The World Bank and IMF are expected to continue to support fiscal reform. USAID is working in close coordination with the IMF on the creation of the LTI and on improving the performance of the most important of the RTI's.

Major Contractors and Grantees:

Booz-Allen & Hamilton are implementing the privatization of urban and industrial land.

USAID's implementing partners in supporting SMEs include IRIS, Shorebank, FINCA, and PVOs such as IESC, CDC, ACDI/VOCA and the Eurasia Foundation. USAID's investments in the electronic payments system are implemented directly by USAID/M/IRM. The Barents Group manages both the bankers training and capital markets activities. Sibley International implements the accounting reform program. As part of the overall USG effort to assist the GOG in improving tax administration and raising revenue, the U.S. Treasury Department has placed a long-term advisor in the Tax Department to develop an internal control system. The U.S. Treasury has also taken the lead in providing budget advice to the GOG.

Performance Data Table

Objective Name: SO 3.1 Accelerated Development and Growth of Private Enterprise			
Objective ID: 114-013-01			
Approved: Yes		Country/Organization: USAID/Caucsaus - Georgia	
Result Name: IR 1.3.1 Increased Access to Credit by Domestic SMEs and Micro-entrepreneurs			
Indicator: Increase in number of borrowers from USAID-assisted organizations			
Unit of Measure: Number	Year	Planned	Actual
Source: Shorebank, FINCA, ACDI-VOCA, Constanta	1998	N/A	1,600
	1999 (B)	N/A	6,575
Indicator/Description: Total number of borrowers per fiscal year.	2000	11,075	
	2001	16,150	
	2002	21,225	
Comments: Mission did not set targets for 1999 for this indicator. The actual figure are reported will be the baseline for future years. Among total 6675 borrowers 1859 have been served outside Tbilisi.	2003	26,300	

Performance Data Table

Objective Name: SO 1.3 Accelerated Development and Growth of private Enterprise			
Objective ID: 114-031-01			
Approved: Sub IR 1.3.2.2 Improved Efficiency of Banking sector		Country/Organization: USAID/Caucasus - Georgia	
Result Name: Improved Efficiency of Banking Sector			
Indicator: End of period real value of deposits			
Unit of Measure: Millions of Lari	Year	Planned	Actual
Source: National Bank of Georgia	1998	N/A	156
Indicator/Description: Deposits: deposit liabilities of the commercial banks, including current accounts, time deposits of enterprises, household deposits, and other demand deposits. Real Value: nominal values adjusted for inflation as reflected in the consumer price index (CPI).	1999 (B)	N/A	164.9
	2000	319	
	2001	672	
	2002	974	
	2003	1200	
Comments: Mission did not set a target for 1999 for this indicator. The actual figure for 1999 will be used as baseline for future years. September 1998 CPI is considered 100 and the CPI for September 1999 is 121.9. As a result, year-end deposits of 201 million GEL in 1999 equal to 164.9 million GEL in real terms.			

Performance Data Table

Objective Name: SO 1.3 Accelerated Development and Growth of private Enterprise			
Objective ID: 114-013-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 1.3.3 Functioning Land and Real Estate Market to Support SME Growth			
Indicator: Number of land parcels traded during the year.			
Unit of Measure: Number	Year	Planned	Actual
Source: Booz-Allen	1998	N/A	a) 25
Indicator/Description: a) Total Number; b) Tbilisi; c) Outside Tbilisi. Land parcels traded includes those registered and sold.	1999 (B)	N/A	b)25
Comments: Mission did not set a target for this indicator. The actual figures for 1999 will be used as the baseline.			c) 0
	2000	750	a) 492
		425	b)286
		335	c)206
	2001	1,110	
		650	
		460	
	2002	1,400	
		800	
		600	
	2003	1,690	
		975	
		715	

Performance Data Table

Objective Name: SO 1.3 Accelerated Development and Growth of Private Enterprise			
Objective ID: 114-013-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: SO 1.3 Accelerated Development and Growth of Private Enterprise			
Indicator: Increase in number of private enterprises registered			
Unit of Measure: Number	Year	Planned	Actual
Source: State Department of Statistics	1998	N/A	10,062
Indicator/Description: Number of enterprises registered in given year.	1999 (B)	N/A	5,920
	2000	7,420	
Comments: Mission did not set a target for this indicator. The actual number for 1999 will be the baseline for future years. The 1999 figure is as of August 30, 1999.	2001	8,920	
	2002	10,420	
	2003	11,920	

SO 1.5 A More Economically Efficient and Environmentally Sustainable Energy Sector

Country/Organization: USAID/Caucasus - Georgia

Objective ID: 114-015-01

Objective Name: A More Economically Efficient and Environmentally Sustainable Energy Sector

Self Assessment: On Track

Self Assessment Narrative: This SO is on-track and met expectations in FY 1999. The GOG continues to move energy assets into the private sector. Parliament adopted new legislation for the regulation of the oil and gas sector and legislation covering environmental safety and protection. The USAID-funded activities demonstrated that customers will pay for electricity and will conserve as much as 40 percent of energy when required to pay their bills, and that distribution companies can be operated on a commercial basis.

Primary Link to Strategic Agency Framework: 1.1 Private Markets
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input checked="" type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input checked="" type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input checked="" type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Regional Stability

Summary of the SO:

The purpose of this strategic objective is to promote the development of a more economically sustainable energy sector. USAID's emphasis is two-fold: (a) to create a business climate that will attract private sector participation and ownership, with subsequent improvements in the management of resources and provision of services; and (b) to improve energy sector efficiency in economic terms, with subsequent increases in capital and operating resources available to energy sector companies. Beneficiaries of the successful attainment of this objective are the approximately 1.3 million residential and commercial customers of electricity and potentially an equal number of natural gas customers in Georgia. Activities supporting privatization and reform in the energy sector under this objective will promote the Mission Performance Plan by leading to more efficient management and use of energy which in turn will promote economic development in Georgia. In addition, privatization of the energy sector will increase investment opportunities for U.S. companies.

Key Results:

512,300 customers are now being served by private companies compared to a 1999 target of 340,000 private enterprise-served customers. As a direct result, revenues collected in the electricity sector rose from 40 percent in 1998 (baseline) to 43 percent in 1999, meeting USAID's.

Performance and Prospects:

Privatization of a significant part of Georgia's electric distribution and small hydroelectric generation facilities was successfully carried out in 1999. The privatization of Telasi, the Tbilisi area electricity distribution enterprise, in January 1999, and several other small electricity distribution enterprises resulted in increased revenue collections. Several hydroelectric power generation stations were also privatized in 1999. AES, the American company operating the Tbilisi area distribution franchise, bought the Khrami I and Khrami II hydroelectric stations totaling 213 megawatts (MW) of installed generation capacity. An additional 100 MW of small hydroelectric facilities has also been privatized. As a result of these privatizations, combined with the formation and initial operations of the Georgian Wholesale Electricity Market (WEM), a transparent electricity accounting mechanism, local distribution companies are, for the first time, paying for a part of the electricity received and generators are receiving payment for a part of the electricity delivered to the national grid. Negotiations with AES for the purchase of the Gardabani thermal electric station's units 9 and 10 with an installed capacity of 600 MW, reached a successful conclusion with only formalities remaining to complete the process. Negotiations with a French investor were ongoing in late 1999 and are still ongoing, for the privatization of 26 additional local distribution companies and several hydroelectric power generation stations in Western Georgia.

The enactment of laws and regulations providing a more conducive environment for private investment in the energy sector continued to make progress. Seven laws have been passed which exceeds the target of three relevant energy and environmental sector laws to be passed that facilitate the sustainability of the energy sector in Georgia. The establishment of the State Agency for the Regulation of Oil and Gas Resources (State Agency), through passage of the first Georgian Law on Oil and Gas in April 1999, was a major achievement for Georgia in attracting international petroleum companies to Georgia. This new State Agency is a one-stop-shop for oil and gas contracting, permitting and regulation of oil and gas exploration and production.

Possible Adjustments to Plans:

Having invested heavily over the past several years in the legal and regulatory environment necessary to attract private investors, the systems and agencies providing oversight of the sector are largely in place. Continued training and professional exchanges with other similar bodies in the region and the U.S. will be carried out to improve the technical and professional competence of management and staff. Under SO 1.5, assistance will be provided to the GOG to regroup undersized local distribution companies into larger companies and to institute projects to improve their commercial viability by improving billings and collections. The goal of this assistance will be to prepare these companies for commercial operations and privatization. USAID will focus more of its efforts on energy conservation and environmental protection in the next three years.

Other Donor Programs:

The European Union continues to work in tariff structure, accounting, billing, and metering practices, while the World Bank is conducting a loan appraisal of maintenance and rehabilitation work in electric generation, transmission, and distribution systems. The EBRD approved further loans to AES-Telasi for a remetering program. Further consideration is similarly being given for other local distribution companies that are as yet not privatized. Both the World Bank and the EBRD are considering financing the engagement of private sector management contracts for the electricity dispatch and transmission functions (currently in the control of a state-run company) and the WEM.

Major Contractors and Grantees:

There were four institutional contractors working in the energy sector in FY 1999: Hagler Bailly (specific training activities, restructuring, privatization and legal assistance), Deloitte and Touche (audit of energy sector companies), Carana (converting companies into International Accounting Standards) and the US Energy Association (training in all energy areas).

Performance Data Table

Objective Name: SO 1.5 A More Economically Efficient and Environmentally Sustainable Energy Sector			
Objective ID: 114-015-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: SO 1.5 A more economically sustainable and environmentally sustainable energy sector.			
Indicator: Energy provided on an economic basis.			
Unit of Measure: Percent (%)	Year	Planned	Actual
Source: Hagler Bailly, MoFE, GNERC, WEM	1998(B)		40%
Indicator/Description: Sector billed revenues as a percentage of costs including depreciated value of assets, operations and maintenance.	1999	43%	43%
	2000	45%	
	2001	55%	
Comments: Target for 1999 is an averaging of the 1998 and 2000 numbers.	2002	70%	
	2003	80%	

Performance Data Table

Objective Name: SO 1.5 A More Economically Efficient and Environmentally Sustainable Energy Sector			
Objective ID: 114-015-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: 1.5.1 Increased private sector participation in the energy sector.			
Indicator: Number of customers being served by a privatized electric distribution company.			
Unit of Measure: Number	Year	Planned	Actual
Source: MoFE, GNERC, WEM, Hagler Bailly	1998(B)		340,000
Indicator/Description:	1999	340,000	512,300
	2000	340,000	
	2001	800,000	
Comments: 1999 target is an average of the 1998 and 2000 numbers.	2002	1 mln	
	2003	1.2 mln	

Performance Data Table

Objective Name: SO 1.5 A More Economically Efficient and Environmentally Sustainable Energy Sector			
Objective ID: 114-015-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 1.5.1 Increased private sector participation in the energy sector.			
Indicator: Percentage of total electric energy provided by private generation companies.			
Unit of Measure: Percent (%)	Year	Planned	Actual
Source: GNERC, WEM, Hagler Bailly	1998(B)		5%
Indicator/Description: Hydropower plants under long term lease to private concessions are considered privatized for investment purposes.	1999	8%	9.3%
	2000	10%	
	2001	25%	
	2002	30%	
Comments: 1999 target is an average of 1998 and 2000 numbers	2003	50%	

Performance Data Table

Objective Name: SO 1.5 A More Economically Efficient and Environmentally Sustainable Energy Sector			
Objective ID: 114-015-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 1.5.2 Legal and regulatory environment more conducive to private investment in the energy sector.			
Indicator: Number of relevent energy sector laws, or implementing rules and regulations adopted.			
Unit of Measure: Number	Year	Planned	Actual
Source: Parliament, GNERC, WEM Hagler Bailly	1998(B)		1
	1999	3	7
Indicator/Description: Number of relevent energy sector (gas,electric and petroleum) laws, or implementing rules and regulations adopted by either parliament or appropriate regulatory bodies.	2000	5	
	2001	10	
	2002	20	
	2003	25	
Comments: 1999 target is an average of the 1998 and 2000 number.			

SO 2.2 Legal Systems That Better Support Implementation of Democratic Processes and Market Reform

Country/Organization: USAID/Caucasus - Georgia

Objective ID: 114-22-01

Objective Name: Legal Systems That Better Support Implementation of Democratic Processes and Market Reform

Self Assessment: Exceeding Expectations

Self Assessment Narrative: Landmark reform legislation such as the Freedom of Information (FOI) section of the new Administrative Code was passed during FY 1999. With 184 judges qualified by examinations and a formal vetting process appointed to various courts, great strides were made in reforming the Judiciary. The activities of NGOs augmented access to the legal system for ordinary citizens.

Primary Link to Strategic Agency Framework: 2.1 Rule of Law/Human Rights
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input checked="" type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): Economic Development

Summary of the SO:

This SO supports the overall USAID objective of assisting Georgia to become a country with a stable market economy and democratic governance by empowering citizens through public awareness of their legal rights and supporting legal access mechanisms to enable them to pursue these rights. Increasing the capacity of legal institutions to implement and enforce better laws and regulations will lead to a more prosperous market-oriented democracy. The Georgian public will directly benefit from a transparent system of laws and strengthened courts capable of administering the rule of law (ROL), if the legal system is better able to safeguard their rights as citizens. The themes of fostering government transparency and public awareness are woven throughout the three intermediate results (IRs) which are necessary to achieve the SO.

Key Results:

Judicial reform greatly exceeded expectations in FY 1999 and FY 2000. New court administration and appellate court systems were introduced and the judicial reform program bore fruit when 184 newly qualified judges assumed the bench. The new judges had passed judicial qualification exams prepared with USAID-funded support and undergone a vetting process. These reforms were echoed in the Supreme Court, now chaired by the author of the judicial examination process, who filled 16 vacancies with qualified judges. While the previous four exams had been printed in the U.S, the Council of Justice (COJ) prepared and published the past two exams in Georgia, a significant advance in the COJ's sustainable capacity. The passage of a Administrative Code, with its revolutionary FOI section, was another major achievement.

Performance and Prospects:

USAID achieved good progress in providing improved access to justice (IR 2.2.1) through four NGOs. Legal clinics operated by the Center for the Protection of Constitutional Rights and Article 42, provided practical experience for law students and delivered legal services. Since April 1998, they have resolved 108 cases (compared with 12 cases resolved by the Ombudsman's Office) and trained 59 young attorneys. The USAID-supported Women's Center prepared and published a series of brochures with excerpts from laws pertaining to women's and families' rights. Public awareness increased through the efforts of these NGOs and the Georgian Young Lawyers Association (GYLA) to inform people of their rights, the means to access legal institutions, and new legal developments. USAID also supported a new ROL grant program.

Increased availability of effective counsel is another important component for improving access to justice. In FYs 1999 and 2000, USAID continued to provide technical assistance for the development of a Law on the Bar. The law, which is expected to pass by June 2000, includes a provision mandating qualification exams for attorneys. USAID will provide assistance based on the successful precedent established with the judicial qualification exams, and other implementation activities.

As mentioned under Key Results, progress towards more effective, transparent and fair public and private legal institutions (IR 2.2.2) had the most spectacular success in FYs 1999 and 2000. The judiciary became more effective, transparent and fair through new court administration and appellate systems, as well as the merit selection process for judges. Moreover, the selection process itself has proved to be gender neutral. Of the 305 candidates that have passed the exam, 116 were women (38 percent), and 58 of them were appointed to the bench. On the Supreme Court, 7 of the 16 new judges are women. The COJ provided technical assistance to the

Governments of Moldova and Tajikistan to assist them to prepare for judicial qualification exams.

To complete the main structural reforms of the judiciary, in spring 2000, USAID will support the first organizational meeting of the Conference of Judges, mandated by law as the judicial disciplinary body. The Conference will also oversee court administration. In addition, USAID supported the establishment of a new private judges' association, Judges of Georgia (JOG), in 1999. The JOG will serve as an advocacy organization for judges on issues such as judicial independence.

USAID provided technical assistance, at the Chief Justice's request, to help the Appellate and Supreme Courts understand their respective functions. Training was also provided to the new judges, with four segments in-country, and a special Training of Trainers program in the U.S. for the top ten newly qualified judges. Computer and peripheral equipment has also been provided to the Supreme and Appellate Courts.

These successes threatened the opponents of judicial reform, who redoubled efforts to reverse the process. In April 1999, the GOG enacted an amendment to the Law on the Courts reinstituting the use of lay judges – unqualified, politically influenced vestiges of the Soviet era. USAID galvanized its implementing partners, the donor community and Georgian counterparts to push for its elimination. Using lay judges would defeat the purpose of having a merit-based selection process for judges. The GOG subsequently rescinded the amendment, demonstrating its commitment to judicial reform.

The GOG's inability to pay judges an adequate salary in a timely manner constitutes the most serious threat to judicial reform. In order to ensure the honesty and integrity of the reformed judiciary, the GOG must follow through on its commitment to pay the judges, an issue that the JOG has as its first priority. To assist, USAID will undertake a budget survey of the court system, which will identify "ghost" employees and duplicative or ineffective procurements, and reduce opportunities for corruption.

IR 2.2.3, which seeks to pass or amend laws and promulgate regulations that promote democratic processes and market reform, has achieved remarkable success. Since 1995, the Georgian Parliament has been one of the most active and effective in the NIS. Over 745 laws supporting human rights, democratic institutions and a market economy have been enacted. By late 1998, the reform process had begun to lag. In February 1999, the USG and GOG launched the Five-Point Program to spur reform. In support of the anti-corruption component of the Five-Point Program, USAID provided assistance for the drafting and enactment of the Administrative Code, the Licensing Law, the Law on Enforcement of Judgements, the Criminal Code and the Judicial Disciplinary Law.

As a follow-up initiative, the USG, in cooperation with other donors and the GOG launched the Four-Point Program (FPP) in February 2000. USAID, which co-chairs the FPP's civil service/administrative reform working group with the Minister of Justice, will provide additional assistance with implementation of the Administrative Code.

In FY 2000, USAID will continue to provide technical assistance for key pieces of legislation, including the Law on the Bar, and possible amendments to the Law on the Courts, the Criminal Code, the Criminal Procedure Code, and the Administrative Code. USAID also supports specialized training for judges and attorneys for several of these laws.

USAID will devote significant resources to implementation of the Administrative Code, which went into force on January 1, 2000. The Code's FOI section will help ensure government transparency and reduce opportunities for corruption. In December 1999, USAID organized a FOI conference with senior representatives from the Parliament, the judiciary the executive branch, media, and NGO community. The GOG subsequently established an Advisory Board, with prominent representatives from civil society, to assist with implementing the Administrative Code. The Board, which is chaired by the Georgian State Minister, produced an action plan based on the December FOI conference recommendations. In February 2000, USAID sent fourteen GOG, NGO and media representatives to the US for further FOI training.

USAID provided 40 staffers from Parliament and the executive branch with legal drafting training in the U.S. and Georgia over the last two years. This training will be expanded, in particular, the in-country component. In light of the new Administrative Code, upgrading regulation drafting skills will prove especially important.

With earlier USAID support, the Parliament had developed a management information system with an electronic database containing all the new laws. New equipment, software and firewalls will soon allow the public and legal professionals to directly access these laws via the internet. This activity will be expanded to connect additional committees to the local area network.

Possible Adjustments to Plans:

The ROL approach to date has focused on reform-oriented elements of the three branches of government at the national level. This approach will continue in order to meet a continuing need for capacity building and to maintain influence and consolidate investments. However, more emphasis will be placed on activities involving the private sector to ensure that government responsiveness to citizens increases as private sector capacity grows. To ensure that the average citizen directly benefits from reform laws, new activities will target regions outside of Tbilisi. Focussing on building the customer-demand side of the rule of law scale will produce a stronger balance between supply and demand thus leading to a sustainable legal sector.

Other Donor Programs:

The World Bank has taken the lead in providing assistance for court administration and case processing. The EU, Soros and the World Bank have extensive judicial training programs. Soros also plans to work with the Tbilisi State University Law School. UNDP provides assistance to the Ombudsman, Parliament's anti-corruption committee and the Constitutional Court's public outreach program. The EU and UNDP have a variety of gender legal activities.

Major Contractors and Grantees:

USAID-sponsored activities are implemented by the American Bar Association's Central and East European Law Initiative (ABA/CEELI), AMEX International, Inc., the Eurasia Foundation, and the Academy for Educational Development. In FY 2000, a new three-year cooperative

agreement will be signed with ABA/CEELI and AMEX will be replaced by a contractor to be selected for a new ROL activity.

Performance Data Table

Objective Name: SO 2.2 Legal Systems that Better Support Implementation of Democratic Processes and Market Reform			
Objective ID: 114-022-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 2.2.1.2 Increased Availability of Effective Counsel			
Indicator: Number of attorneys that pass bar examination			
Unit of Measure: Number	Year	Planned	Actual
Source: Georgian Young Lawyers Association, Parliament's Legal Reform Committee and ABA/CEELI	2000 (B)	0	
	2001	70	
	2002	100	
Indicator/Description: The number of lawyer's passing a bar examination will indicate improvement in citizens' access to effective legal counsel.	2003	150	
Comments: This indicator is based on the assumption that the Georgian Parliament will pass a Law on the Bar in 2000 and that the law will require practicing attorneys to pass a bar examination. There are between 1200 and 1500 attorneys practicing in Georgia. Until the law is passed and the first exam is held, it will be difficult to make estimates as to the numbers that will pass.			

Performance Data Table

Objective Name: SO 2.2 Legal Systems that Better Support Implementation of Democratic Processes and Market Reform			
Objective ID: 114-022-01			
Approved: Yes		Country/Organization: USAID/Caucasus/Tbilisi	
Result Name: IR 2.2.2 Effective, Transparent , and Fair Public and Private Legal Sector Institutions			
Indicator: Percent of judicial appointments in accord with objective merit-based criteria			
Unit of Measure: Cumulative percent	Year	Planned	Actual
Source: Georgian Council of Justice	1998	0	0
Indicator/Description: Proportion of judicial appointments based on the judicial qualification exams and vetting processes in relation to the total number of judges on the Courts of General Jurisdiction.	1999 (B)	50%	77%
	2000	82%	
	2001	87%	
	2002	92%	
	2003	97%	
Comments: This indicator description has been modified to more accurately reflect meaningful progress. There had been four exams prior to May 1999, when the bulk of the new appointments were made, that produced a large pool of qualified applicants. The exams are now on a regular schedule of twice a year and the applicant pool will not be as large.			

Performance Data Table

Objective Name: SO 2.2 Legal Systems that Better Support Implementation of Democratic Processes and Market Reform			
Objective ID: 114-022-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 2.2.3 Policies, Laws, and Regulations Promoting Democratic Processes and Market Reform Established			
Indicator: Selected laws enacted or amended and regulations promulgated			
Unit of Measure: Number	Year	Planned	Actual
Source: Georgian Parliament, AMEX Int'l	1998	13	11
Indicator/Description: The selected laws and regulations have been identified as key to advancing the Georgian legal reform agenda in terms of civil and economic rights.	1999 (B)	5	4
	2000	5	
	2001	8	
	2002	10	
Comments: Pursuant to the Five Point Program (FPP) announced by the USG and GOG in February 1999, the Governments identified the following five laws as critical to fighting corruption: the Administrative Code, Criminal Code, Law on Enforcement of Judgements, Licensing Law and Judicial Disciplinary Law. The first four laws were passed in 1999 and the Judicial Disciplinary Law passed in early 2000. With most of Georgia's legal framework is now in place, future USAID assistance will entail providing technical assistance for amending major laws and promulgating implementing regulations for select reform laws.			

SO 2.3 More Efficient and Responsive Local Government

Country/Organization: USAID/Georgia - Caucasus

Objective ID: 114-022-01

Objective Name: More Efficient and Responsive Local Governance

Self Assessment: On Track

Self Assessment Narrative: Overall, SO 2.3 is on track. Expectations for increased community participation in local government oversight and political processes were exceeded and expectations were met in the representation of constituent needs.

Primary Link to Strategic Agency Framework: 2.3 Politically Active Civil Society
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input checked="" type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input checked="" type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): No Secondary Linkage

Summary of the SO:

This Strategic Objective will improve local government efficiency, empower communities, and build partnerships between local, regional and national stakeholders. The Georgian people will benefit from increased participation in oversight of political processes and from exercising a greater say in determining the types and quality of services they would like from their local

governments. They will also benefit from economic opportunities generated by effective partnerships between government, private businesses and community groups.

Key Results:

In FYs 1999 and 2000, the basis for more efficient and responsive local governance was strengthened, principally on the demand side, through greatly increased access to information, and through the expansion and strengthening of NGOs to represent constituent needs. The number of media outlets and time devoted to news programs by independent TV stations increased beyond expectations. This led to excellent election coverage for the October 1999 parliamentary elections, and invigorated citizen participation. Political parties began to see the value of political outreach and in 1999, four of the largest parties adopted a USAID-supported caucus system for selection of majoritarian candidates – the first public outreach consultation of its kind in Georgia's history. NGOs have also become involved in engaging political actors on the parties' positions on various issues. The landmark Freedom of Information section of the recently enacted Administrative Code opens up the decision-making process to public scrutiny at all levels of government.

Performance and Prospects:

Overall, SO 2.3 is on track. Expectations for increased community participation in local government oversight and political processes (I.R. 2.3.1) were exceeded with exponential increases of availability and access to different sources of objective information, particularly in election coverage. Expectations were met in the representation of constituent needs. A new local governance reform activity that addresses local government capacity and partnerships between local governments, businesses, and community groups will begin by the end of the FY 2000. Reporting on local government capacity to plan and manage resources efficiently (I.R. 2.3.2) and increased partnerships between local government, businesses and communities (I.R. 2.3.3) will commence after elections for local government officials are held in 2001. Nonetheless, important achievements were made in building the capacity of elected local and district councils.

Local communities gained increased availability and access to objective information through a variety of media outlets. The web site database created by the Open Text Association funded by a grant awarded by USAID-funded Eurasia Foundation, increased the number of print media texts from leading newspapers appearing on the web site from 20 to 30. Since June 1999, the number of hits the site receives per day has increased from 80 to more than 2,200, making it the most popular web site in Georgia. The number of minutes devoted to news programs by targeted independent TV stations from all regions around Georgia increased from 420 to 605 (against a target of 580 for 1999).

In important ways, these advances in the media, especially in election coverage, allowed people to participate in challenging political candidates, thus more directly involving themselves in the political process. Internews shifted its focus to providing training to independent TV stations in the regions and in October 1999, assisted and trained technicians from 13 independent stations in producing live debates among parliamentary candidates. IRI and NDI provided support to the stations in identifying the candidates for the debates. The live debates were made technically possible by Eurasia Foundation equipment donations to the selected independent regional stations. The debates drew great attention and, according to NDI, increased concern among

political parties about their presentations and candidates in the regions. This success is an excellent demonstration of the benefit of close cooperation among USAID service providers to promote community involvement in political processes. Since the 1999 parliamentary elections, the stations have continued to use the equipment to broadcast live programming aimed at increasing open dialogue on issues important to local communities. These actions all set the stage for greater community participation in local governance.

In 1999, Horizonti, a local NGO, began funding cooperative projects between local and national government and NGOs, and conducted discussion meetings between NGOs and different political parties. As a result, NGOs actively and quite successfully influenced the political processes on central and local levels. Another major success of this SO is the rapid expansion of USAID-funded NGO and media programs into the regions of Georgia. Until 1999, the focus was primarily on providing assistance to Tbilisi-based organizations. This caused a significant gap between the level of democratization in the regions and the capital. The regional focus of media and NGO programs during the last year started to make its effect felt in terms of setting the stage to increase community participation in local government oversight and political processes.

Another important focus during the last year has been the shift of attention and support from existing NGOs serving Tbilisi, to supporting new NGO formation in the regions. USAID has encouraged Tbilisi-based NGOs to open branch offices in the region. With support from the Horizonti Foundation, several NGOs unified to open NGO resource centers in Gori, Khashuri, Kutaisi, and Zugdidi. The resource centers help young NGOs and initiative groups in the regions to get the technical support and information they needed to effectively represent constituent needs. The Horizonti Foundation, based in Tbilisi, also opened its first regional office in Telavi. The new office provides the same NGO services those offered in Tbilisi, including training in proposal writing and budget development for grant applications, internet connections, and a wide range of information. These recent accomplishments in NGO support in Georgia's regions form the foundation for their future ability to represent constituent needs in underserved areas of the country. Horizonti's recent entry into the book-publishing arena also bodes well for the organization's financial sustainability. Revenues earned through their fee-for-service trainings are now being supplemented with the proceeds of sales of three books they authored and produced in FY 1999.

Important accomplishments have been made in the area of local government capacity to plan and manage resources efficiently (I.R. 2.3.2) and increased partnerships between local government, businesses and communities (I.R. 2.3.3). USAID has been the most active donor, assisting with the development of legislation on self-governance and local budgets, supporting local elections, and providing handbooks and training to the newly elected officials, as well as modest grant programs for local initiatives. The comprehensive USAID training, followed by a tailored USIS-funded Community Connections program and a Eurasia Foundation grant program, worked so well in FY 1999, that it has been repeated, with some modifications, in FY 2000. To date, this combination of activities has directly involved 7 1/2 percent of all local council members in Georgia, including the independent and non-partisan Council Association of Georgia, (CAG). USAID has trained 700 local council leaders and members, while USIS has trained 90, providing an informed cadre that can actively participate in developing new legislation.

In the coming year, passage and/or implementation of several pieces of legislation will critically affect the achievement of this SO. The passage of the local budget law and the transfer of funds law will be key to enabling local governments to work on behalf of their constituents.

Furthermore, amendments are required to the Local Government and Self-Government Law to clarify roles and responsibilities between local and national governments. USAID has recently completed the design of a local governance program to enhance the capacity of local governments to plan and manage resources efficiently, which will build on the activities and accomplishments of the last fiscal year. A Request for Proposals (RFP) will be let in May, and program activities will begin in the fall. Passage and implementation of these important pieces of legislation will greatly enable progress in this new program, and in the SO as a whole. Print media are receiving training and technical assistance under a new 3-year activity with the International Center for Journalists.

Possible Adjustments to Plans:

USAID is working closely with other donors to avoid duplication of effort and to achieve the maximum coverage for local governance activities, in particular, through a closely coordinated effort. Nonetheless, delays caused by the different donor timing of activity start-ups and targets of opportunity may occur and will need to be addressed. Thus flexibility will be built into the plans.

Other Donor Programs:

The World Bank focuses on municipal infrastructure development, which should improve economic conditions in key municipalities over the strategy period. Other donors fill equally valuable niches, such as UNDP's prominent support of Georgian think tank publications and Great Britain's support for tailored journalism skills training. The European Union (EU), UNDP, Great Britain, Germany, the British Know-How Fund, the Soros Foundation and other private foundations have been active in support of civil society and citizen participation. The EU, Soros and the Know-how Fund are currently finalizing the design of their local government programs.

Major Contractors and Grantees:

USAID-sponsored activities are implemented by Internews, Horizonti Foundation, the National Democratic Institute, the International Republican Institute, the International Foundation for Electoral Systems, the International Center for Journalists, the International Center for Conflict Negotiation, the Academy for Educational Development and the Eurasia Foundation.

Performance Data Table

Objective Name: SO 2.3 More Efficient and Responsive Local Government			
Objective ID: 114-023-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 2.3.1.2 Increased Representation of Constituent Needs			
Indicator: NGO sustainability			
Unit of Measure: NGO Sustainability Index	Year	Planned	Actual
Source: Panel of NGO Experts	1997 (B)	N/A	3.2 (Stage 2)
Indicator/Description: Five aspects of NGO sustainability are analyzed including the legal environment, organizational capacity, financial viability, advocacy and public image. NGOs are rated on a scale of 1-7 with 1 representing the most favorable conditions and highest level of development of NGOs. Based on those ratings, the level of NGO development falls into three stages, with Stage 3 being the most advanced.	1998	N/A	3.0 (Bordering Stage 2 and Stage 3)
	1999	2-2.5 Stage 3	3.0 (Bordering Stage 2 and Stage 3)
	2000	2-2.5 (Stage 3)	
Comments: NGO development in Georgia currently falls on the border between “Stage 2” and “Stage 3,” which was the same scoring the sector received last year. The method for scoring was changed by the EE Bureau in 1999 (The 1999 NGO Sustainability Index, Third Edition, Jan. 2000), which affects the current score. Nonetheless, the sector is at a similar stage.			

Performance Data Table

Objective Name: SO 2.3 More Efficient and Responsive Local Governance			
Objective ID: 114-023-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 2.3.1.1 Increased availability and access to different Sources of objective information.			
Indicator: No. of minutes devoted to news programs on a weekly basis by selected independent television stations.			
Unit of Measure: No. of minutes	Year	Planned	Actual
Source: Internews	1998(B)		420
Indicator/Description: Daily and weekly news programs produced by independent, non-state funded television stations. Selected refers to independent stations targeted for assistance.	1999	580	605
	2000	585	
	2001	600	
	2002	630	
Comments: 1999 increase in news coverage beyond target was in part due to the extra news coverage for the 1999 Parliamentary election. The 2000 target is lower than the 1999 actual because the station ownership in Ajara region changed hands in 2000 and stopped producing news spots. The target figures begin to plateau in 2003 as each of the targeted stations begin producing daily news spots.	2003	650	

Performance Data Table

Objective Name: SO 2.3 More Efficient and Responsive Local Governance			
Objective ID: 114-023-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 2.3.1.1 Increased availability and access to different sources of objective news			
Indicator: : Percent of responses from government to requests made for public information.			
Unit of Measure: Percent	Year	Planned	Actual
Source: ISFED poll	1999 (B)		0 %
Indicator/Description: This Indicator measures increasing responsiveness of local gov. and progress by local gov. in implementing the FOI section of the Administrative Code. The FOI section directly increases the access of citizens to public information, and the availability of public information. The 1999 baseline data are from requests made by ISFED members from all regions of the country for information relating to budget allocations, budget disbursements, and criteria for budget allocations. Requests were made to local gov. departments of finance, health, etc. The survey will be repeated each year.	2000	20 %	
	2001	25 %	
	2002	35 %	
	2003	40 %	
Comments: A gradual increase in response is expected following the development of regulations governing the implementation of the FOI section and then assistance to local governments in developing mechanisms and procedures for responding to requests from citizens, and acquiring computer technology to aid the efficiency of response. The initial jump in the rate of increase for 2000 should come from the actual passage of the Act.			

SO 3.1 Reduced Human Suffering in Targeted Communities

Country/Organization: USAID/Caucasus - Georgia

Objective ID: 114-031-001

Objective Name: Reduced human suffering in Targeted Communities

Self Assessment: On Track

Self Assessment Narrative: Poverty remains endemic within Georgia, but key programs were implemented in FY 1999 which softened the blow of a weak economy on the most vulnerable groups within Georgian society. Regions which suffer most from poverty were given some hope that the future may be better than the bleak present.

Primary Link to Strategic Agency Framework:
(please select only one)

6.1 Impact of Crises Reduced

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|--|---|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input checked="" type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input checked="" type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input checked="" type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input checked="" type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input checked="" type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input checked="" type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input checked="" type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Humanitarian Response

Primary Link to MPP Goals: Humanitarian Assistance

Secondary Link to MPP Goals (optional): Health

Summary of the SO:

Since Georgia's independence in 1991, internal conflicts led to approximately 300,000 internally displaced persons (IDPs). The weak central government provides an inadequate safety net for the vulnerable part of the population. Job creation and real income growth have not been realized. Nearly 50 percent of the population reside under the poverty line. Lack of government resources, combined with this poverty rate, has left many with inadequate access to health care.

Extreme economic stress at the household level prevents access to minimum living standards, which further alienates the public from the reform process. This SO aims to reduce human suffering in targeted communities by helping to meet basic human needs, while emphasizing local self-reliance and conflict resolution activities. The SO addresses the underpinnings of conflict by meeting urgent needs and building the capacity for vulnerable communities to meet their own needs over the longer term. This approach to reducing human suffering is central in supporting the overall U.S. foreign policy objective of promoting political and social stability and assisting in the peace process. Within the framework of the Mission's new strategic plan, SO 3.1 was redesigned to follow an "integrated development approach". The IRs were revised accordingly and a new performance monitoring plan was developed with revised indicators to more accurately measure results.

Key Results:

According to the MOH, overall child immunization coverage was 82 percent for the first 8 months of 1999. This should increase as final data becomes available. USAID set a target rate of 90 percent for FY 1999. However, the more reliable UNICEF Multi Indicator Cluster Survey indicates only 76.8 percent overall coverage for 1999. USAID is a major supporter of child immunization in Georgia. The above rate would likely have been much worse without USAID intervention. One important output indicator demonstrates USAID's FY1999 performance. The USAID met urgent basic human needs for approximately 297,250 IDPs and other vulnerable individuals, 43 percent above the target of 207,500. Implementing partners provided critical assistance of food, shelter, basic health and social services, and heating subsidies to IDPs, single mothers, disabled persons, widows, and pensioners. USAID continues to be one of the largest sponsors of such humanitarian programs in Georgia.

Performance and Prospects:

A complete discussion of USAID health program results in FY 1999 can be found under SO 4.1 Special Initiatives. Future prospects and anticipated results for health will be discussed under IR 3.1.2. USAID has provided humanitarian assistance to Georgia since 1993. This assistance met urgent human needs and was a key component in the political and social stabilization of Georgia, allowing the GOG to embark upon democratic and economic reforms. The beneficiaries have been IDPs and other socially vulnerable groups throughout the country. Although the immediate crisis has passed, ethnic conflict is unresolved and economic progress remains slow. Two FY 1999 SO-level indicators underscore a continuing need for targeted humanitarian and development assistance in Georgia. According to the Georgian State Department of Statistics, the percentage of Georgians living above the official subsistence-level poverty line fell to an average of 46.2 percent in the first three quarters of 1999 (down from an average of 49.8 percent in 1998, when USAID's target was 57 percent). As recently as February 2000, the UN Observer Mission in Georgia (UNOMIG) reported volatile security conditions in lower Gali district. The tension spills over to Samegrelo region where the largest concentration of IDPs resides. Ethnic tension remains an area of concern in the Armenian-populated district of Samtske-Javakheti, and Adjara continues to be nearly independent of the central government in Tbilisi.

IR 3.1.1 Urgent Needs Met During Crisis: (Old IR 3.1.2 "Urgent basic human needs met for vulnerable groups through interventions"). USAID continued to provide humanitarian assistance to vulnerable households in areas of health, shelter and economic opportunity with emphasis on community participation. Four thousand isolated pensioners have been receiving a hot meal five

days a week since July 1999. Approximately 4,000 vulnerable youth were provided with sustainable opportunities for personal growth and psychosocial rehabilitation in Tbilisi, Sukhumi and Zugdidi. For the first 5 months of FY 1999, USAID continued to support to the UNHCR for emergency rehabilitation of shelters and schools, distribution of non-food emergency commodities, and emergency health and nutrition support, as reported in last year's R4. The Georgia Winter Heating Assistance Program (GWHAP) provided winter electricity subsidies to more than 250,000 vulnerable persons and IDPs in 100,000 households and 22 institutions, far exceeding the target of 138,000 beneficiaries. WFP provided supplemental food rations to more than 200,000 IDPs and vulnerable individuals in eastern and western Georgia, exceeding the target of 139,000 by 45 percent (approximately 32,750 IDP beneficiaries can be attributed to USAID's co-sponsorship of this program). IFRC programs reached over 95 percent of the targeted 10,500 beneficiaries: a) 41 collective centers were rehabilitated, improving the living conditions of 4,000 IDPs; b) basic health care, social services, and food assistance was provided to an additional 4,500 of the most vulnerable IDPs; and c) 1,500 patients in 15 residential institutions were assisted with supplementary food assistance and hygiene articles.

The Sukhumi Health Services Project provided training to 120 maternity hospital staff in the utilization of disinfectants, delivered disinfectants and other essential medical supplies, and developed an essential medicine reference manual in Russian. As reported in last year's R4, this project was unable to be implemented as planned due to the deterioration of security conditions in the Abkhazia region. It was modified to provide requested assistance to the Sukhumi Maternity Hospital. The Georgia Assistance Initiative (GAI), launched in July 1999, includes a mechanism for USAID rapid response to crises or challenges. Tested in early FY 2000, this mechanism worked successfully for a rapid response to emergency winter needs to 978 vulnerable persons in the politically sensitive break-away region of South Ossetia.

IR 3.1.2 Vulnerable Communities are better able to meet their own needs: The second half of FY 1999 marked the initial launch of SO 3.1 activities designed to support self-reliance. Under the FY 1999 indicator, "households with increased income," funds from the directive to support victims of the Abkhazia conflict helped 7,307 (approx. 5,262 women headed- households) to meet their own basic needs through the creation of small businesses, generating and maintaining income and sustainable employment. Although this was below the FY 1999 target of 10,200 households, 10,541 were assisted by February 2000. IFRC trained 119 entrepreneurs in FY 1999, providing start-up costs for 41 enterprises. [NOTE: Last year's R4 misstated this program's FY 1999 target as 30,000. That figure was based on individuals instead of households and included an activity not covered by this indicator.] In addition, IFRC assisted 4,600 IDP households to establish kitchen gardens to provide an estimated 10-30percent of their food needs.

With partial funding from the directive to support Abkhazia conflict victims and from the directive for Infectious Diseases, the GAI focuses on sectoral interventions while simultaneously empowering target populations, local communities, and local non-governmental organizations to assume greater control over their own futures. The Mission did not attain a target of increasing the income of 10,000 new households because the GAI, launched in July 1999, did not deliver services in FY 1999. The first three months were focused on competing and awarding sub-grants for sectoral activities. In FY 2000, the GAI is expected to impact approximately 80,000-100,000

individuals directly through improved shelter and social infrastructure, increased household income, and improved access to quality primary health care delivery. During FY 2000, we expect that 1,149 households will benefit from increased economic opportunity through micro-credit, small and medium enterprise loans, vocational training and business services as a result of continued Self-Reliance Program activities. IFRC's Community Development Program targets 45,000 individuals through mobilization activities in 30 IDP collective centers. The program will support social mechanisms which encourage the formation of effective communities and provide a basis for collective decision-making, advocacy and action. Other IFRC activities provide kitchen garden inputs, microenterprise start-up and shelter repair that will improve living conditions and increase household income for over 7,000 vulnerable individuals.

Launched in FY 1999, five new health partnership programs commenced under a new cooperative agreement with AIHA. The new partnership programs fall into four programmatic areas: primary health care, women's health, infection control, and management education in health. In contrast with old partnership programs, the new programs are more focused on developing local capacities on the primary health care level, reflecting WHO's new primary health care strategy, and accommodating a gender equality policy. As a result, sustainable US/Georgia health partnerships, which foster more effective and efficient delivery of health services in the country, will be established and promoted. The nation-wide (excluding Abkhazia) Georgia Community Mobilization Initiative (GCMI) will be launched in FY 2000. Through the GCMI, USAID seeks to build the capacity of targeted communities to respond collaboratively to meet their own needs more effectively. USAID will begin tracking the impact of the GCMI in FY 2001.

Cross-Cutting IR Vulnerable Groups are Identified: In FY 1999, GWHAP developed a database of vulnerable households. A vulnerability index, "the Counterpart International Vulnerability Index for Georgia.(CIVIG)", rated each of the 300,000 households the database, prioritizing those most in need of humanitarian assistance. GWHAP will finalize the database by April 2000 and turn it over to the GOG as well as share it with the international assistance community. IFRC will shortly complete the first ever country-wide (excluding Abkhazia) vulnerability assessment of IDPs living in collective centers. The data and findings will be shared with the GOG and international community in an effort to identify those IDPs who are the most vulnerable in order to better target international and GOG assistance efforts.

Possible Adjustments to Plans :

A peace settlement for Abkhazia would necessitate a rapid deployment of resources to assist the resettlement of displaced persons. Conversely, accelerated tensions could cause an eruption of conflict analogous to the May 1998 events and thus would necessitate an immediate response to urgent humanitarian needs. As the GCMI gets underway in the second half of FY 2000, adjustments may be made to the targets for some indicators at the SO and IR levels. Any such adjustments will be noted in the indicator tables.

Other Donor Programs:

The World Bank, IMF, and EBRD work on the macro-environment in areas such as economic restructuring, policy and institutional reform of the social safety net, health reform and education sectors. The UN, EU, and other bilateral donors in addition to USAID (Germany, Great Britain, the Netherlands and Italy) have worked on various aspects of local community development.

Coordination with ECHO and other donors is particularly important in areas of conflict where USAID is prohibited from working. Within the USG, the Department of State provides commodity transport and support to international organizations. The Department of Defense contributes excess medical equipment and other humanitarian commodities. USDA provides food to International Orthodox Christian Charities (IOCC) for direct distribution, concessional wheat sales to GOG, and agricultural commodities for monetization to some US PVOs. The US State Department Bureau for Population Refugees and Migration funds two community development programs in Georgia.

Major Contractors and Grantees:

International Federation of the Red Cross /Red Crescent Societies (IFRC) - Humanitarian Assistance Program in Georgia; World Food Programme (WFP), Regional Air Operations; UNICEF - Program for Strengthening EPI and Control of Vaccine Preventable Diseases; Center for Disease Control (CDC) - Reproductive Health Survey; American International Health Alliance (AIHA) - Health Partnerships; Johns Hopkins University (JHU) - Population Communication Services Program; Save the Children Federation U.S. - Georgia Assistance Initiative (GAI); Counterpart International - Georgia Winter Heating Assistance Program (GWHAP); Salvation Army - Feeding Kitchens for Pensioners; International Rescue Committee - Self-Reliance Programs; United Methodist Committee on Relief (UMCOR) - Youth Houses.

Performance Data Table

Objective Name: SO 3.1 Reduced human suffering in targeted communities			
Objective ID: 114-031-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 3.1.2 Vulnerable communities meet own needs			
Indicator: Number of community projects completed			
Unit of Measure: Number	Year	Planned	Actual
Source: Reports from implementing partners	1999 (B)	20	20
Indicator/Description: Indicator measures the number of projects carried through to completion by community action teams or other local groups organized through USAID-funded community mobilization and development activities.	2000	20	
	2001	50	
	2002	100	
Comments: Targets are likely to be revised after the Georgian Community Mobilization Initiative (GCMI) is awarded.			

Performance Data Table

Objective Name: SO 3.1 Reduced human suffering in targeted communities			
Objective ID: 114-031-01			
Approved: Yes		Country/Organization: USAID/Caucus - Georgia	
Result Name: IR 3.1.2.1 Increased capacity to deliver health and other services			
Indicator: Community contribution to selected projects: (a) Average percentage of community contribution per project, (b) Total value of all community contributions in equivalent U.S. dollars			
Unit of Measure: (a) Percentage (b) U.S. dollars	Year	Planned	Actual
	1999 (B)	NA	NA*
Source: Reports from implementing partners	2000	a) 20% b) NA**	a) b)
Indicator/Description: For USAID-funded activities with a community mobilization and development focus, this indicator measures the relative and absolute value of community contributions of cash, material, and labor. Specific measures are: (a) "average percentage per project," and (b) "total value." Total value is broken down as: (i) total, (ii) cash, (iii) material, (iv) labor	2001	a) 20% b) NA	a) b)
	2002	a) 25% b) NA	a) b)
	2003	a) 25% b) NA	a) b)
Comments: Communities must provide at least 20% to qualify for USAID funding. Contributors may be public agencies, NGOs, enterprises, or private individuals or groups. *No baseline. Although previous USAID-sponsored community projects have received community contributions, data on the value of these contributions was not collected. ** Targets are set for "average percentage per project" only, because these activities emphasize the relative size of community contributions over the absolute value.			

Performance Data Table

Objective Name: SO 3.1 Reduced human suffering in targeted communities			
Objective ID: 114-031-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 3.1.2.1 Increased capacity to deliver health and other services			
Indicator: Number of children fully immunized			
Unit of Measure: Number	Year	Planned	Actual
Source: Reports from UNICEF, MOH	1999 (B)	139,000 x 100% = 139,000	106,750 x 100% = 106,750
Indicator/Description: Indicator approximates USAID attribution for the number of children (age 0-2) who were "fully immunized" by the UNICEF/WHO Expanded Program of Immunization. Table displays "total number fully immunized" x "proportion of USAID sponsorship of direct costs" = "number of children fully immunized attributable to USAID's direct sponsorship."	2000	139,000 x 100% = 139,000	
	2001	139,000 x 100% = 139,000	
	2002	139,000 x 100% = 139,000	
	2003	139,000 x 100% = 139,000	
Comments: Baseline approximated as follows: UNICEF EPI achieved 76.8% overall immunization coverage (i.e. 106,750 of the target population of 139,000 children). Though the World Summit goal of 90% was not met, the vaccination rate against extremely dangerous diseases (diphtheria, polio, TBC) was more than 95% (MoH).			
Targets are based on the likely funding scenario of status quo, in which MOH lacks resources to assume immunization costs in the short run.			

Performance Data Table

Objective Name: SO 3.1 Reduced human suffering in targeted communities			
Objective ID: 114-031-01			
Approved: Yes		Country/Organization: USAID/Caucasus - Georgia	
Result Name: IR 3.1.2.2 More active participation of vulnerable groups in the economy			
Indicator: Number of jobs created by USAID-funded activities			
Unit of Measure: Number	Year	Planned	Actual
Source: Reports from implementing partners	1999 (B)	NA	639
Indicator/Description: Indicator measures number of jobs that are created as a direct result of USAID-funded activities that seek to increase the active participation of vulnerable groups in the economy.	2000	1,225	
	2001	2,100	
	2002	1,650	
Comments: Targets assume that certain grantees will receive continued funding from USAID. Targets are likely to be revised after the Georgian Community Mobilization Initiative (GCMI) is awarded.			

SO 4.1 Special Initiatives - Health

Country/Organization: USAID/Georgia - Caucasus

Objective ID: 114-041-01

Objective Name: Special Initiative - Health

Self Assessment: On Track

Self Assessment Narrative: USAID-funded health programs were significantly expanded in FY 1999 through the start of five new health partnerships.

Primary Link to Strategic Agency Framework: 4.2 Infant and Child Health/Nutrition
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input checked="" type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input checked="" type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input checked="" type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Humanitarian Response

Primary Link to MPP Goals: Health

Secondary Link to MPP Goals (optional): Humanitarian Assistance

Summary of the SO:

NOTE: We will no longer report health sector results under this SO in the future. Within the framework of the Mission's new strategic plan, performance information on health will be reported under SO 3.1 Reduced Human Suffering in Targeted Communities.

Georgia is rebuilding its health care system which collapsed after the breakdown of the Soviet Union and civil unrest and political conflicts. Georgia's lack of basic health care services is eroding public confidence in health care reforms and unattended social problems are posing constraints to economic growth. Public financing for health services is severely limited and available resources are not well managed. Inadequate resources are allocated to outpatient services and preventive health care. Mortality rates for children under the age of five are increasing and life expectancy, particularly for males, is decreasing. Epidemics are looming in tuberculosis, HIV/AIDS, hepatitis and STDs – all diseases which affect the most economically productive age groups. USAID aims to improve the capacity of the GOG/MOH to respond to emergencies, and foster cost-effective approaches to improve the health status of the Georgian people. USAID's new strategy in Georgia focuses on capacity building within targeted communities so that they will become more self-sufficient.

Key Results:

USAID's health program in Georgia represents the Mission's ongoing approach to reducing human suffering through building capacity to deliver health and other services and to increase community participation of vulnerable groups. According to the MOH, overall child immunization coverage was 82 percent for the first 8 months of 1999. USAID set a target rate of 90 percent for FY 1999. However, the more reliable UNICEF Multi-Indicator Cluster Survey indicates only 76.8 percent overall coverage for 1999. At the same time a significant 40 percent decrease in the number of diphtheria cases in FY 1999 and a decrease in fatalities from diphtheria from 12 percent in 1995-97 to 6 percent in FY 1999 demonstrate the relative success of the USAID program. Also, due to the mass immunization campaign, no reported polio cases were registered. USAID-sponsored training in vaccination practices and surveillance of 164 regional managers and 1,412 health workers throughout Georgia.

Performance and Prospects:

NOTE: This section reports FY 1999 performance only. For a discussion of performance prospects for health programs in FY 2000, see SO 3.1.

AIHA Health Partnerships – The Health Partnerships Program increasingly incorporates the use of a “healthy communities” methodology that brings together all key community stakeholders in a collaborative local assessment and priority intervention process. This methodology promotes sustainable, decentralized approaches to meeting social service needs, and supports the USG's emphasis on the development of civil society and democratization. The program creates a supportive environment for the improvement of services and outcomes by focusing on the integration of health services within the larger social service context, developing effective governmental policies and regulations, and increasing the participation of NGOs. Started in 1992 with funds under a USAID cooperative agreement, the partnership (between Emory University School of Medicine, Georgia State University and Grady Memorial Hospital of Atlanta, and the Ministry of Health of the Republic of Georgia, Tbilisi State Medical University, and City Hospital No. 2 of Tbilisi) was completed in December 1999.

Nursing Reform – Nurses from Grady Health System and Georgia State University worked with nurses in the Republic of Georgia to promote and develop the professional role of nurses in

medical institutions and universities. As a result, 456 nurses were trained in nursing leadership and modern clinical methods in nursing during FY 1999.

Maternal and Child Health – A team of pediatricians and neonatologists from Emory conducted training of trainer programs in neonatal resuscitation and stabilization for trainers throughout Georgia. Ninety students were trained in neonatal resuscitation.

Medical Information – In collaboration with the Woodruff Health Sciences Library at Emory University, the National Information Learning Center (NILC) provided high-speed Internet connectivity for use by the medical, academic and business communities of Georgia. The library enables users to access the Internet and conduct on-line bibliographic searches. In FY 1999, 1,029 users from the Georgia health community had access to Internet and Medline at the NILC site and 55 issues of the Internet Medical Digest were published, with a distribution of 600 copies.

Emergency Care – National Emergency and Disaster Medicine Training Center conducted 86 training sessions for 2,082 students, and the staff of 12 hospitals. Also, 594 non-medical specialty professionals were trained in pre-hospital emergency care, emergency medicine, first aid and disaster preparedness. A satellite center was opened in Batumi in August 1999.

Immunization – USAID has provided funding to a UNICEF emergency health project in Georgia. This program, which began in the fall of 1998 and ended in December 1999, supported emergency delivery systems through the supply of essential drugs, vaccines, and syringes for the re-establishment of a routine primary vaccination protocol. It also provided training and support to basic vaccine distribution services and assistance with mass public mobilization campaigns. In FY 1999, the mass immunization campaign conducted by UNICEF in Georgia with USAID funding achieved 76.8 percent coverage against 90 percent initially projected. However the coverage rate for the extremely dangerous infections (diphtheria, polio, etc.) was up to 95 percent.

Population – The JHU Population Communication Services program supports and strengthens Georgian families by providing public information services and education for married couples to assist them in making an informed choice regarding healthy family planning. The program is unique in Georgia in terms of being the first communication program using professional social marketing and market research methods such as interviews, questionnaires, focus group discussion, and market testing. The Program operates in Kutaisi, Rustavi, Gori and Tbilisi areas. All proposed qualitative research and clinic monitoring to 35 delivery sites is completed, about 50,000 brochures and 2,000 Family Planning Counseling Cue Cards are printed and 63 Gynecologists trained in modern contraceptive technologies and family planning techniques. During the reporting period, USAID continued supporting Georgia's first nationwide family planning and reproductive health survey, conducted by CDC.

New Partnership Program – In FY 1999 USAID funded five new partnership programs under a new cooperative agreement with AIHA. The new partnership programs in Georgia fall into four programmatic areas: primary health care, women's health, infection control, and management education in health. In contrast with old partnership programs, the new programs are more

focused on developing local capacities on the primary health care level, reflect on WHO's new primary health care strategy, and accommodate a gender equality policy.

Possible Adjustments to Plans:

USAID's new strategy selectively addresses health and other social constraints to transition as well as acute humanitarian crises. USAID plans a community development initiative to mobilize communities to identify and meet their own needs. An important component of this activity will be the integration of health into the results framework under SO 3.1 Reduced Human Suffering in Targeted Communities. This will enable health funding to contribute to the new Mission strategy, which recognizes the critical role that a healthy population plays in the overall transition process, and the integral role that health activities can play in the Mission's transition programs.

Other Donor Programs:

The World Bank, a key player in health care reform process, focuses on the policy and institutional reform needs of the national health care system. GTZ provides pharmaceuticals to TB and national oncology programs. Canadian International Development Agency (CIDA) funds the Trans-Caucasus (TC) Health Information project. ECHO provides funding to IFRC for psychiatric pharmaceutical provision and rehabilitation of primary health care facilities in Samegrelo area. Soros Foundation issues small grants for medical science development. SIDA supports training of general practitioners for the Primary Health Care network. The Government of Japan provides medical equipment to the Central Republican Hospital. The Dutch Government works on various aspects of the health care financing system. The Greek Government supports medical care to the predominantly Greek populated communities. Within USG, the State Department provides essential medicines/medical supplies, commodity transport and support to international organizations. The Defense Department contributes excess medical equipment and other humanitarian commodities. USDA funds a self-sustainable revolving drug fund through proceeds of a monetization program.

Major Contractors and Grantees:

American International Health Alliance (AIHA) - Partnership Programs; United Nation's Children Fund (UNICEF) - Expanded program of immunization (EPI) and control of vaccine preventable diseases; Johns Hopkins University (JHU) - Population Communication Services (PCS) program; Center for Disease Control (CDC) Atlanta - Reproductive Health Survey (RHS)

SO 4.1 Special Initiatives - Targeted Privatization

Country/Organization: USAID/Caucasus - Georgia

Objective ID: 114-041-01

Objective Name: Special Initiatives - Targeted Privatization

Self Assessment: On Track

Self Assessment Narrative: Because of the limited intervention and short-term nature of USAID's involvement in privatization, no indicators are being tracked. However, the activities being funded by USAID are achieving expected results.

Primary Link to Strategic Agency Framework: 1.1 Private Markets
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): No Secondary Linkage

Summary of the SO:

Key Results:

Performance and Prospects:

Technical assistance to the Ministry of State Property Management (MSPM): USAID is continuing to support the privatization of strategic state-owned enterprises (SOEs). A group of USAID funded-consultants is providing technical assistance to MSPM to: (a) help it meet World Bank conditionality targets for next tranche release of funds from a structural adjustment loan; (b) improve MSPM capability to tender viable firms; and (c) provide MSPM with skills for restructuring or liquidating large non-viable firms. This assistance will help the MSPM to find 'better buyers' for viable firms (interested in long-term investment and with the resources to improve performance) and to restructure or liquidate firms that cannot survive as a whole entity. Following the 'learn-while-doing' training employed in this project, MSPM personnel will be provided with the skills necessary to identify potentially viable firms, undertake pre-privatization carve-ups where necessary, and prepare and package the required analyses for tender to potential investors. Secondary objectives of this project will include using the Insolvency Law to conclude court sanctioned financial reorganization (a first in Georgia) and to improve the public relations capability within the MSPM to facilitate a more favorable public perception of privatization results.

Telecommunications: The Mission responded to the GOG's request for assistance in privatizing its telecom sector. In coordination with the World Bank, a USAID team of telecommunications experts worked with the Parliament of Georgia and a Ministry of Post and Telecommunications working group to assist it to develop: (a) a strategy for telecom privatization; (b) the enabling legislation; and (c) a regulatory framework. A new telecommunications law (largely drafted by the USAID team) was adopted, establishing an independent regulatory commission, which is now expected to be named by mid-April 2000. At that point the project will begin its final phase – assisting the Commission in becoming operational and providing specialized training in key telecom regulation issues.

While USAID interventions are modest in scope, it is expected that successful privatization of the telecom sector and several of the remaining large enterprises will continue to encourage further privatization of strategic enterprises in other sectors of the country, such as energy, transportation and the ports. By introducing and reinforcing transparent tendering procedures, public confidence in the process of transferring state assets to private ownership will be enhanced. Finally, through shifting ownership patterns from state to private hands and establishing, where appropriate, independent regulatory bodies, greater efficiency, economy and transparency should emerge to Georgia's overall benefit.

Possible Adjustments to Plans:

The success of the privatization support to the MSPM has culminated in a request from the Ministry for a six-month continuation of the assistance. Consideration is being given to an extension of the project under which: (a) several current privatization transactions already underway would be concluded; and (b) the team would expand its efforts to 'make privatization work' (address the package of incentives and disincentives which focus managers towards long-term firm performance rather than short-term personal gain).

Other Donor Programs:

In privatization, the World Bank and EU have in the past provided support to the MSPM, but at this point USAID is the only donor present (in general privatization support). In telecommunications, the World Bank and EBRD are coordinating with USAID to provide a comprehensive program of assistance for telecom privatization and development of the regulatory commission. The World Bank is supporting the GOG to develop its telecom policy and will fund an investment bank to conduct the international tender. The EBRD is providing support for the drafting of the legal and regulatory framework for telecom.

Major Contractors and Grantees:

Support for the MSPM is being provided through Barents Group, LLC. Support for telecom privatization is being provided through IBTCI, in conjunction with its subcontractor, Teleconsult.

SO 4.2 Cross-Cutting Programs

Country/Organization: USAID/Caucasus - Georgia

Objective ID: 114-042-01

Objective Name: Cross-cutting issues

Self Assessment: On Track

Self Assessment Narrative:

Primary Link to Strategic Agency Framework:
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Regional Stability

Secondary Link to MPP Goals (optional): No Secondary Linkage

Summary of the SO:

Key Results:

Performance and Prospects:

Training – In cooperation with USAID and its contractors as well as key Georgian organizations and individuals, the Academy for Educational Development (AED) tailors training to all of

USAID's strategic objectives to achieve their respective results. From skills building for 600 newly elected council members, to conflict prevention training in summer camps for 250 youth affected by civil conflict, to a series of in-country conferences and foreign study tours for NGO and governmental leaders, AED addressed specific areas of need and produced appropriate experiences and information. For example, under the ROL, SO 2.2, USAID partners assisted the GOG in the drafting of a new Administrative Code which contained a landmark Freedom of Information (FOI) section. After enactment of the Code, a diverse group of NGO, parliamentary and government leaders was sent to the U.S. to learn how FOI is implemented in the U.S. In total, AED delivered 26 training programs for 1700 participants in 1999. The far-reaching effects of these trainings are difficult to measure, but parents and siblings benefit when teenage family members become hopeful and actively engaged in constructive behavior; many disadvantaged persons benefit when NGO leaders learn to better manage their organizations and resources; and society as a whole benefits when legal drafters solicit public participation and construct laws in plain language.

Small Grants Program – The Eurasia Foundation has provided financial support through grants to local organizations for programs promoting economic and democratic reform in Georgia. These grants supported business education and management training, business development, public administration and policy, rule of law, NGO development, media and communications and electronic communications.

In anticipation of the establishment of Georgia's stock market, a grant was used by the Caucasus Stock Exchange (CSE) to develop Georgian-language teaching materials on finance market operations. The CSE also conduct training for employees of local banks, brokerage firms, government agencies and universities. The project included a public awareness TV campaign to address the public's linking of illegitimate financial schemes with legitimate securities markets. As a result of the successful implementation of the grant-funded project, the Director General of CSE was invited to participate in the drafting of Georgia's securities market law and CSE was selected by the USAID-funded securities market contractor to participate in the development of Georgia's stock market.

Over a period of several months, USAID's ROL SO Team worked closely with the Eurasia Foundation to design a grant competition to increase government accountability and to reduce abuse of authority by improving citizen access to information and facilitate public participation in decision-making as a means of fighting corruption. The competition was launched in February. Grants will be awarded to projects which: study and publicize successful measures that ensure public participation in decision-making processes and combat abuse of authority within and outside of Georgia; create institutions for citizen participation at all levels of government; strengthen the role of public watchdog organizations that monitor and analyze the effectiveness and transparency of government structures and provide this information to the public; conduct well-targeted public awareness campaigns that inform people of methods for recourse when dealing with governmental excess; create permanent mechanisms for interaction between government officials and citizens; and implement other programs aimed at increasing government transparency and accountability.

Possible Adjustments to Plans:

Other Donor Programs:

Major Contractors and Grantees:

Part III: Budget Request

1. Program Priorities and Budget

Georgia occupies a position of special importance to the U.S. because of its strategic location and represents a special challenge for USAID. As a country that has tried to follow the reform path, USAID and Georgia have collaborated on a wide variety of innovative programs. The results reported in the R4 are ample evidence of the value and success of this joint effort. Past successes have laid a sound foundation for the implementation of USAID's recently approved Strategic Plan.

During the latter half of FY 1999 and early part of FY 2000 a number of new initiatives and activities were initiated to begin implementation of the new Strategic Plan. A contract for a new SME activity under SO 1.3 has just been let and an RFA for the Georgia Assistance Initiative under SO 3.1 is on the street. Procurement of services for a major new initiative in local governance will begin shortly. Surprising advances in the ROL area (e.g. the new Administrative Code with its revolutionary FOI section under SO 2.2, require follow on activities which were unanticipated. Perhaps even more importantly, recent events have demonstrated that the reformers in the Georgian Government, may be ready and willing to tackle the really tough issues of corruption, tax/fiscal reform. Thus, the lower budget levels for FY 2000 and FY 2001 come at a bad time because we are ramping up activities to implement the new strategy while facing significant new challenges and opportunities. These levels leave the Mission with a severely limited ability to respond to unforeseen opportunities. The FY 2001 level will be especially difficult to absorb and any further reductions will make it impossible for the Mission to fully implement the new Strategic Plan.

The distribution of funds among SOs remains basically unchanged. SO 1.3 continues to absorb roughly one half of the funds. SO 1.5 shows an increase in FY 2001 because the requirement to absorb a large Directive was not reduced proportionately with the \$5 million reduction in the funding level. SO 2.2 is seriously under-funded in FY 2001. In 1999 the Georgian Parliament adopted the General Administrative Code, which introduced the completely revolutionary concepts and mechanisms for government operation. In particular, the third chapter of the Code is dedicated to freedom of information. The Government has shown considerable political will towards the implementation of the Code and the process is progressing very rapidly. Administrative reform is a major component of the Four-Point Program signed by the USG and GOG. Unanticipated activities related to the implementation of the Administrative Code and other essential ROL activities to be implemented under the new strategy as part of USAID's contribution to assisting the GOG's fight against corruption under the Four-Point Program, will require increased funding for SO 2.2 in FY 2001 (approximately \$2,250,000). With various directives to be covered in other SO limiting the Mission's flexibility, and the need to fund the start-up of new activities in these SOs, it is not possible to find this money within the already reduced budget level. The Mission would welcome additional funding for this purpose.

2. Operating Request and Workforce Request

Introduction – Senior management conducted a comprehensive review of USAID/Caucasus’s operating expense (OE) requirements to ensure that there are adequate resources to support program activities and USDH staffing levels. USAID/Caucasus has significant regional responsibilities in providing contracting, legal, and accounting services to neighboring posts. During this fiscal year our regional role expanded when we became the official accounting station for USAID/Armenia. We anticipate a further increase in regional responsibilities with the planned doubling of the Azerbaijan program.

The OE budget totals presented in this R4 are in accordance with the levels set by the E&E Bureau for the Caucasus, which includes Georgia and Azerbaijan. The base OE level of \$4.3 million for all three years is \$200,000 below our FY 1999 level. The Bureau further reduced our FY 2000 OE budget by \$200,000 to offset the savings expected from the new forward funding guidance. In addition to the R4 OE budget, we are submitting a supplemental OE budget request to cover the cost of additional security guards and a second USDH Contracting Officer position needed in Georgia as a result of planned expansion of the Azerbaijan program. We believe that the OE funding level and with the addition of the funds requested in the supplemental OE budget, and the staffing level these budgets support, will allow the Mission to ensure operational efficiency, provide appropriate management controls and accountability, and achieve high levels of program results.

Comments on R4 OE Budget Table – We were able to absorb the \$200,000 annual cut in the OE budget primarily because of a reduction in Mission start-up costs. By the end of FY 2000 we will have furnished and equipped the offices, procured needed vehicles, created a housing pool, and filled all the authorized staff positions. Although we will benefit from declining “NXP” procurements and “Residential and Office Renovation” expenses, any savings not used to cover the \$200,000 reduction, will be consumed by increased salaries, benefits, travel and transportation costs.

We absorbed a 40% increase in “FSN Salaries” in FY 2000 – the first increase the FSNs have received since 1997. “Salary and Benefits” will also rise as we approach a full FSN staff complement and an expansion of the FSN medical plan. We will continue to rely on TCN and US PSCs to help establish operating systems, assist in training Georgian staff, and provide coverage for USDHs absent from post. The increases in “USDH Benefits” and “Travel and Transportation” costs stem from the normal rotation of USDHs and expected larger family sizes at post, since adequate schooling is now available through grade 12.

“ICASS” remains a major expense in all three years. With the exception of dispatching our own cars, ADP support, FSN personnel, C&R, and procurement, the Mission relies on ICASS for all other services. We will continue to monitor ICASS costs for reasonableness and, if they become too high we will explore all options to reduce them including becoming a services provider. The remaining operating costs generally remain constant with moderate increases for inflation. We do not expect to have costs that qualify for the Capital Investment Fund.

Comments on the Supplemental OE Budget table – The additional funding we are requesting in the supplemental OE budget is to cover the cost of night guards on residences, establishing a 24 hour security post in the office parking lot, and adding a second USDH Contracting Officer. The residential security program began last September and the security post in the parking lot is a recent initiative begun in consultation with the Regional Security Officer. None of the related costs were previously budgeted and we estimate the total cost be about \$180,000 per year.

We are also requesting a second USDH Contracting Officer to help implement the expanding USAID/Caucasus - Azerbaijan program. The Azerbaijan program budget is scheduled to double in FY 2001 to \$44 million and our Regional Contracts Office will need a second Contracting Officer to implement the program. We plan to request a USDH Contracting Officer from the New Entrant Program since the Mission has a highly experienced Contracting Officer who can provide mentoring and on-the-job training. If no USDH officer is available we will use the money to hire a USPSC. The annual cost averages approximately \$145,000 per year.

Accessing Global Bureau Services Through Field Support and Buy-Ins

USAID/Caucasus - Georgia, R4 - FY 2002

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2001		FY 2002	
				Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO 3.1 Reduced Human Suffering in Targeted Communities	BASICS	Routine	1 Year		400,000		400,000
SO 3.1 Reduced Human Suffering in Targeted Communities	JHPIEGO	Routine	1 Year		150,000		150,000
SO 3.1 Reduced Human Suffering in Targeted Communities	AIDSMARK	Routine	1 Year		150,000		150,000
GRAND TOTAL.....							

* For Priorities use high, medium-high, medium, medium-low, low

Program, Workforce, OE and Other Tables

FY 2001 Budget Request by Program/Country

Fiscal Year: 2001

Program/Country: USAID/Caucasus - Georgia

Approp: 72 1/2 1093

Scenario:

S.O. # , Title		FY 2001 Request												Est. S.O. Expenditures	Est. S.O. Pipeline End of FY2001
	Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G		
SO 1.3: Accelerated Development and Growth of Private Enterprises															
	Bilateral	14,500,000	5,700,000	8,800,000				0						16,146,159	7,718,068
	Field Spt													0	0
		14,500,000	5,700,000	8,800,000	0	0	0	0	0	0	0	0	0	16,146,159	7,718,068
SO 1.5: A More Economically Sustainable and Environmentally Sound Energy Sector															
	Bilateral	7,500,000										7,500,000		8,340,000	7,211,568
	Field Spt														
		7,500,000	0	0	0	0	0	0	0	0	0	7,500,000	0	8,340,000	7,211,568
SO 2.2: Legal Systems that Better Support Implementation of Democratic Process and Market Reform															
	Bilateral	2,000,000											2,000,000	4,903,110	1,469,090
	Field Spt	0													
		2,000,000	0	0	0	0	0	0	0	0	0	0	2,000,000	4,903,110	1,469,090
SO 2.3: More Efficient and Responsive Local Governance															
	Bilateral	6,550,000											6,550,000	6,800,000	4,129,000
	Field Spt	0													
		6,550,000	0	0	0	0	0	0	0	0	0	0	6,550,000	6,800,000	4,129,000
SO 3.1: Reduced Human Suffering in Targeted Communities															
	Bilateral	10,300,000					400,000	350,000	600,000					15,587,065	7,690,640
	Field Spt	700,000					300,000		400,000					700,000	350,000
		11,000,000	0	0	0	0	700,000	350,000	1,000,000	0	0	0	0	16,287,065	8,040,640
SO 4.1 Special Initiatives - Privatization															
	Bilateral	450,000		450,000										1,150,000	0
	Field Spt	0													
		450,000	0	450,000	0	0	0	0	0	0	0	0	0	1,150,000	0
SO 4.2: Cross-Cutting Programs															
	Bilateral	5,000,000		2,600,000	300,000	500,000	300,000				200,000	500,000	600,000	4,450,000	1,650,000
	Field Spt	0													
		5,000,000	0	2,600,000	300,000	500,000	300,000	0	0	0	200,000	500,000	600,000	4,450,000	1,650,000
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		46,300,000	5,700,000	11,850,000	300,000	500,000	700,000	350,000	600,000	0	200,000	8,000,000	9,150,000	57,376,334	29,868,366
Total Field Support		700,000	0	0	0	0	300,000	0	400,000	0	0	0	0	700,000	350,000
TOTAL PROGRAM		47,000,000	5,700,000	11,850,000	300,000	500,000	1,000,000	350,000	1,000,000	0	200,000	8,000,000	9,150,000	58,076,334	30,218,366

FY 2001 Request Agency Goal Totals	
Econ Growth	17,550,000
Democracy	9,150,000
HCD	800,000
PHN	2,550,000
Environment	8,000,000
Program ICASS	0
GCC (from all Goals)	0

FY 2001 Account Distribution (DA only)	
Dev. Assist Program	45,150,000
Dev. Assist ICASS	
Dev. Assist Total:	45,150,000
CSD Program	1,850,000
CSD ICASS	
CSD Total:	1,850,000

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

Workforce Tables

Org_ USAID/Caucasus - Georgia End of year On-Board								Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2000 Estimate																
OE Funded: 1/																
U.S. Direct Hire								4	3	2	1	1	1		8	12
Other U.S. Citizens								0	2		1				3	3
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								5	4	8	18	3			33	38
Subtotal								9	9	10	20	4	1	0	44	53
Program Funded 1/																
U.S. Citizens								9	1						1	10
FSNs/TCNs								14			4				4	18
Subtotal								23	1	0	4	0	0	0	5	28
Total Direct Workforce								32	10	10	24	4	1	0	49	81
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal								0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE								32	10	10	24	4	1	0	49	81

Workforce Tables

Org_USAID/Caucasus - Georgia End of year On-Board								Total SO/SpO	Org. Mgmt.	Fin. Mgmt.	Admin. Mgmt.	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2001 Target																
OE Funded: 1/																
U.S. Direct Hire								4	3	2	1	1	1		8	12
Other U.S. Citizens								0	2		1				3	3
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								5	4	8	18	3			33	38
Subtotal								9	9	10	20	4	1	0	44	53
Program Funded 1/																
U.S. Citizens								9	1						1	10
FSNs/TCNs								14			4				4	18
Subtotal								23	1	0	4	0	0	0	5	28
Total Direct Workforce								32	10	10	24	4	1	0	49	81
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal								0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE								32	10	10	24	4	1	0	49	81

Workforce Tables

Org_USAID/Caucasus - Georgia								Total SO/SpO							Total Mgmt.	Total Staff
End of year On-Board									Org.	Fin.	Admin.	Con-	All			
FY 2002 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2		Mgmt.	Mgmt	Mgmt	tract	Legal	Other		
OE Funded: 1/ U.S. Direct Hire	2	1		1				4	3	2	1	1	1	8	12	
Other U.S. Citizens								0	2		1			3	3	
FSN/TCN Direct Hire								0						0	0	
Other FSN/TCN	1.5	1.5	0.5	1.5				5	4	8	18	3		33	38	
Subtotal	3.5	2.5	0.5	2.5	0	0	0	9	9	10	20	4	1	44	53	
Program Funded 1/ U.S. Citizens	3	1	3	2				9	1					1	10	
FSNs/TCNs	4	2	3.5	4.5				14			4			4	18	
Subtotal	7	3	6.5	6.5	0	0	0	23	1	0	4	0	0	5	28	
Total Direct Workforce	10.5	5.5	7	9	0	0	0	32	10	10	24	4	1	49	81	
TAACS								0						0	0	
Fellows								0						0	0	
IDIs								0						0	0	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL WORKFORCE	10.5	5.5	7	9	0	0	0	32	10	10	24	4	1	49	81	

USDH Staffing Requirements by Backstop, FY 2000 - FY 2003

Mission:	USAID/Caucasus - Georgia
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Functional Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2000	FY 2001	FY 2002	FY 2003
Senior Management				
SMG - 01	2	2	2	2
Program Management				
Program Mgt - 02	1	1	1	1
Project Dvpm Officer - 94				
Support Management				
EXO - 03	1	1	1	1
Controller - 04	2	2	2	2
Legal - 85	1	1	1	1
Commodity Mgt. - 92				
Contract Mgt. - 93	1	1	1	1
Secretary - 05 & 07				
Sector Management				
Agriculture - 10 & 14				
Economics - 11				
Democracy - 12	1	1	1	1
Food for Peace - 15				
Private Enterprise - 21	2	2	2	2
Engineering - 25				
Environment - 40 & 75	1	1	1	1
Health/Pop. - 50				
Education - 60				
General Dvpm. - 12*				
RUDO, UE-funded - 40				
Total	12	12	12	12

***GDO - 12:** for the rare case where an officer manages activities in several technical areas, none of which predominate, e.g., the officer manages Democracy, Health, and Environment activities that are about equal. An officer who manages primarily Health activities with some Democracy and Environment activities would be a Health Officer, BS 50.

remaining **IDI**s: list under the Functional Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth Zankowski@HR.PPIM@aidw as well as include it with your R4 submission.

OPERATING EXPENSES

Org. Title: USAID/Caucasus - Georgia		Overseas Mission Budgets								
Org. No:	114	FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	OE Budget	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0
11.5	FNDH			0			0			0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	475.1		475.1	470.7		470.7	490.3		490.3
11.8	FN PSC Salaries	230		230	357.9		357.9	393.7		393.7
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0
	Subtotal OC 11.8	705.1	0	705.1	828.6	0	828.6	884	0	884
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	89.5		89.5	150.4		150.4	133.7		133.7
12.1	Cost of Living Allowances	31		31	36.3		36.3	39.4		39.4
12.1	Home Service Transfer Allowances			0			0			0
12.1	Quarters Allowances			0			0			0
12.1	Other Misc. USDH Benefits	14.1		14.1	23.8		23.8	21.6		21.6
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0
12.1	Other FNDH Benefits			0			0			0
12.1	US PSC Benefits	289.8		289.8	162		162	148.9		148.9
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0
12.1	Other FN PSC Benefits	17.5		17.5	30.9		30.9	31.8		31.8
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0
	Subtotal OC 12.1	441.9	0	441.9	403.4	0	403.4	375.4	0	375.4

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	OE Budget	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	50.5		50.5	47.9		47.9	45.1		45.1
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	20.7		20.7	34.4		34.4	26.2		26.2
21.0	Assignment to Washington Travel			0	13.8		13.8	8.5		8.5
21.0	Home Leave Travel	6		6	6.2		6.2	17.7		17.7
21.0	R & R Travel	20.4		20.4	30.9		30.9	41.4		41.4
21.0	Education Travel	3.5		3.5	3.6		3.6			0
21.0	Evacuation Travel			0			0			0
21.0	Retirement Travel			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0
21.0	Other Mandatory/Statutory Travel	20		20	20.6		20.6	21.2		21.2
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	35		35	36.1		36.1	15.9		15.9
21.0	Site Visits - Mission Personnel	49.2		49.2	52.2		52.2	53.8		53.8
21.0	Conferences/Seminars/Meetings/Retreats	72.5		72.5	74.7		74.7	76.9		76.9
21.0	Assessment Travel			0			0			0
21.0	Impact Evaluation Travel			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0
21.0	Recruitment Travel			0			0			0
21.0	Other Operational Travel	15		15	15.5		15.5	10.6		10.6
	Subtotal OC 21.0	292.8	0	292.8	335.9	0	335.9	317.3	0	317.3
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	80		80	185.4		185.4	148.5		148.5
22.0	Home Leave Freight			0			0			0
22.0	Retirement Freight			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.	15		15	15		15	5		5

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	OE Budget	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0	Transportation/Freight for Res. Furniture/Equip.	15		15	10		10	2		2
	Subtotal OC 22.0	110	0	110	210.4	0	210.4	155.5	0	155.5
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	535		535	535		535	535		535
23.2	Rental Payments to Others - Warehouse Space			0			0			0
23.2	Rental Payments to Others - Residences	441.2		441.2	482.7		482.7	504.8		504.8
	Subtotal OC 23.2	976.2	0	976.2	1017.7	0	1017.7	1039.8	0	1039.8
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	20		20	20.6		20.6	21.2		21.2
23.3	Residential Utilities	41.8		41.8	43.1		43.1	44.4		44.4
23.3	Telephone Costs	39.8		39.8	41		41	42.2		42.2
23.3	ADP Software Leases			0			0			0
23.3	ADP Hardware Lease			0			0			0
23.3	Commercial Time Sharing			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0
23.3	Other Mail Service Costs			0			0			0
23.3	Courier Services	1.5		1.5	1.5		1.5	1.6		1.6
	Subtotal OC 23.3	103.1	0	103.1	106.2	0	106.2	109.4	0	109.4
24.0	Printing and Reproduction			0			0			0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0
25.1	Management & Professional Support Services	30		30	30.9		30.9	31.8		31.8
25.1	Engineering & Technical Services			0			0			0
	Subtotal OC 25.1	30	0	30	30.9	0	30.9	31.8	0	31.8
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	25.8		25.8	27.7		27.7	28.2		28.2
25.2	Residential Security Guard Services			0			0			0
25.2	Official Residential Expenses			0			0			0
25.2	Representation Allowances	1		1	1		1	1		1
25.2	Non-Federal Audits			0			0			0

TABLE ga02r2b_oe

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	OE Budget	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Grievances/Investigations			0			0			0
25.2	Insurance and Vehicle Registration Fees			0			0			0
25.2	Vehicle Rental			0			0			0
25.2	Manpower Contracts			0			0			0
25.2	Records Declassification & Other Records Services			0			0			0
25.2	Recruiting activities			0			0			0
25.2	Penalty Interest Payments			0			0			0
25.2	Other Miscellaneous Services	14.9		14.9	15.3		15.3	15.8		15.8
25.2	Staff training contracts	20		20	20.6		20.6	21.2		21.2
25.2	ADP related contracts	12.6		12.6	13		13	13.4		13.4
	Subtotal OC 25.2	74.3	0	74.3	77.6	0	77.6	79.6	0	79.6
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	500		500	515		515	530.5		530.5
25.3	All Other Services from Other Gov't. accounts			0			0			0
	Subtotal OC 25.3	500	0	500	515	0	515	530.5	0	530.5
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	28		28	10.3		10.3	10.6		10.6
25.4	Residential Building Maintenance	30		30	20.6		20.6	15.9		15.9
	Subtotal OC 25.4	58	0	58	30.9	0	30.9	26.5	0	26.5
25.6	Medical Care									
	Subtotal OC 25.6	0	0	0	0	0	0	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	5		5	5.2		5.2	5.3		5.3
25.7	Storage Services			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	5		5	5.2		5.2	5.3		5.3
25.7	Vehicle Repair and Maintenance	5		5	5.2		5.2	5.3		5.3
25.7	Residential Furniture/Equip. Repair and Maintenance	5		5	5.2		5.2	5.3		5.3
	Subtotal OC 25.7	20	0	20	20.8	0	20.8	21.2	0	21.2
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0

OPERATING EXPENSES

Org. Title: USAID/Caucasus - Georgia		Overseas Mission Budgets								
Org. No: 114		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	OE Budget	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	58.6		58.6	61.3		61.3	59		59
	Subtotal OC 26.0	58.6	0	58.6	61.3	0	61.3	59	0	59
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	74		74	55.7		55.7	20.5		20.5
31.0	Purchase of Office Furniture/Equip.	91		91	45.6		45.6	14.5		14.5
31.0	Purchase of Vehicles			0	30		30			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0
31.0	ADP Hardware purchases	40		40	5		5	5		5
31.0	ADP Software purchases	5		5	5		5	5		5
	Subtotal OC 31.0	210	0	210	141.3	0	141.3	45	0	45
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		3580	0	3580	3780	0	3780	3675	0	3675

Additional Mandatory Information

Dollars Used for Local Currency Purchases

200

220

210

Exchange Rate Used in Computations

2 _____

2 _____

2 _____

**

If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

0

0

0

OPERATING EXPENSES

Org. Title: USAID/CAUCASUS - GEORGIA		Overseas Mission Budgets								
Org. No: 114		FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	OE-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
		0	0	0	0	0	0	0	0	0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
		0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0
11.5	FNDH			0			0			0
		0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0			0			0
11.8	FN PSC Salaries			0			0			0
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0
		0	0	0	0	0	0	0	0	0
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	29		29	20		20	22.9		22.9
12.1	Cost of Living Allowances	0.8		0.8	3.8		3.8	4		4
12.1	Home Service Transfer Allowances			0			0			0
12.1	Quarters Allowances			0			0			0
12.1	Other Misc. USDH Benefits	2.2		2.2			0	2.2		2.2
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to FSN Voluntary Separation Fund - FNDH			0			0			0
12.1	Other FNDH Benefits			0			0			0
12.1	US PSC Benefits			0			0			0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0
12.1	Other FN PSC Benefits			0			0			0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0
		32	0	32	23.8	0	23.8	29.1	0	29.1

TABLE ga02r2b_oe2

OPERATING EXPENSES

Org. Title: USAID/CAUCASUS - GEORGIA		Overseas Mission Budgets								
Org. No:	114	FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	OE-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0
		0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel			0	4.8		4.8	5		5
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	7.3		7.3			0	7.8		7.8
21.0	Assignment to Washington Travel			0			0			0
21.0	Home Leave Travel			0			0	7.8		7.8
21.0	R & R Travel			0	4.9		4.9	5.1		5.1
21.0	Education Travel			0			0			0
21.0	Evacuation Travel			0			0			0
21.0	Retirement Travel			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0
21.0	Other Mandatory/Statutory Travel			0			0			0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0			0			0
21.0	Site Visits - Mission Personnel	1.2		1.2	7.4		7.4	7.6		7.6
21.0	Conferences/Seminars/Meetings/Retreats			0			0			0
21.0	Assessment Travel			0			0			0
21.0	Impact Evaluation Travel			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0
21.0	Recruitment Travel			0			0			0
21.0	Other Operational Travel			0			0			0
		8.5	0	8.5	17.1	0	17.1	33.3	0	33.3
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	20		20			0	21.2		21.2
22.0	Home Leave Freight			0			0			0
22.0	Retirement Freight			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.			0			0			0

TABLE ga02r2b_oe2

OPERATING EXPENSES

Org. Title: USAID/CAUCASUS - GEORGIA		Overseas Mission Budgets								
Org. No:	114	FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	OE-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0	Transportation/Freight for Res. Furniture/Equip.	5		5			0			0
		25	0	25	0	0	0	21.2	0	21.2
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0			0			0
23.2	Rental Payments to Others - Warehouse Space			0			0			0
23.2	Rental Payments to Others - Residences	36		36	37.1		37.1	38.2		38.2
		36	0	36	37.1	0	37.1	38.2	0	38.2
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities			0			0			0
23.3	Residential Utilities	3		3	3.2		3.2	3.3		3.3
23.3	Telephone Costs	2		2	2.1		2.1	2.1		2.1
23.3	ADP Software Leases			0			0			0
23.3	ADP Hardware Lease			0			0			0
23.3	Commercial Time Sharing			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0
23.3	Other Mail Service Costs			0			0			0
23.3	Courier Services			0			0			0
		5	0	5	5.3	0	5.3	5.4	0	5.4
24.0	Printing and Reproduction			0			0			0
		0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0
25.1	Management & Professional Support Services			0			0			0
25.1	Engineering & Technical Services			0			0			0
		0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	12		12	22		22	23		23
25.2	Residential Security Guard Services	168.5		168.5	168.9		168.9	173.3		173.3
25.2	Official Residential Expenses			0			0			0
25.2	Representation Allowances			0			0			0
25.2	Non-Federal Audits			0			0			0

TABLE ga02r2b_oe2

OPERATING EXPENSES

Org. Title: USAID/CAUCASUS - GEORGIA		Overseas Mission Budgets								
Org. No:	114	FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	OE-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Grievances/Investigations			0			0			0
25.2	Insurance and Vehicle Registration Fees			0			0			0
25.2	Vehicle Rental			0			0			0
25.2	Manpower Contracts			0			0			0
25.2	Records Declassification & Other Records Services			0			0			0
25.2	Recruiting activities			0			0			0
25.2	Penalty Interest Payments			0			0			0
25.2	Other Miscellaneous Services			0			0			0
25.2	Staff training contracts			0			0			0
25.2	ADP related contracts			0			0			0
		180.5	0	180.5	190.9	0	190.9	196.3	0	196.3
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS			0	25.8		25.8	26.5		26.5
25.3	All Other Services from Other Gov't. accounts			0			0			0
		0	0	0	25.8	0	25.8	26.5	0	26.5
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance			0			0			0
25.4	Residential Building Maintenance	5		5			0			0
		5	0	5	0	0	0	0	0	0
25.6	Medical Care			0			0			0
		0	0	0	0	0	0	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs			0			0			0
25.7	Storage Services			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance			0			0			0
25.7	Vehicle Repair and Maintenance			0			0			0
25.7	Residential Furniture/Equip. Repair and Maintenance			0			0			0
		0	0	0	0	0	0	0	0	0
25.8	Subsistance & spt. of persons (by contract or Gov't.)			0			0			0
		0	0	0	0	0	0	0	0	0

OPERATING EXPENSES

Org. Title: USAID/CAUCASUS - GEORGIA		Overseas Mission Budgets								
Org. No: 114		FY 2000 Additional			FY 2001 Additional			FY 2002 Additional		
OC	OE-Additional Request	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials			0			0			0
		0	0	0	0	0	0	0	0	0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	25		25			0			0
31.0	Purchase of Office Furniture/Equip.	5		5			0			0
31.0	Purchase of Vehicles			0			0			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0
31.0	ADP Hardware purchases	2.5		2.5			0			0
31.0	ADP Software purchases	0.5		0.5			0			0
		33	0	33	0	0	0	0	0	0
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0
		0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0
		0	0	0	0	0	0	0	0	0
TOTAL BUDGET		325	0	325	300	0	300	350	0	350

Additional Mandatory Information

Dollars Used for Local Currency Purchases

15

15

15

Exchange Rate Used in Computations

2 _____

2 _____

2 _____

If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

0

0

0

Organization: USAID/Caucasus - Georgia

Foreign National Voluntary Separation Account									
Action	FY 2000			FY 2001			FY 2002		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits			0.0			0.0			0.0
Withdrawals			0.0			0.0			0.0

Local Currency Trust Funds - Regular			
	FY 2000	FY 2001	FY 2002
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

Local Currency Trust Funds - Real Property			
	FY 2000	FY 2001	FY 2002
Balance Start of Year			
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

Exchange Rate _____

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	Controller's Office	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
	Subtotal OC 11.1	0	0	0	0	0	0	0	0	0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0			0			0
11.5	FNDH			0			0			0
	Subtotal OC 11.5	0	0	0	0	0	0	0	0	0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	69.8		69.8	74.7		74.7	79.9		79.9
11.8	FN PSC Salaries	66.9		66.9	103.7		103.7	114.1		114.1
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0
	Subtotal OC 11.8	136.7	0	136.7	178.4	0	178.4	194	0	194
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	31.5		31.5	21.6		21.6	22.3		22.3
12.1	Cost of Living Allowances	5.9		5.9	6.1		6.1	5.9		5.9
12.1	Home Service Transfer Allowances			0			0			0
12.1	Quarters Allowances			0			0			0
12.1	Other Misc. USDH Benefits	2.2		2.2			0	2.2		2.2
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH			0			0			0
12.1	Other FNDH Benefits			0			0			0
12.1	US PSC Benefits	21.3		21.3	22		22	22.6		22.6
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC			0			0			0
12.1	Other FN PSC Benefits	4.4		4.4	7.7		7.7	8		8
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0
	Subtotal OC 12.1	65.3	0	65.3	57.4	0	57.4	61	0	61

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	Controller's Office	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	22		22	18.5		18.5	14.9		14.9
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	2		2	7.6		7.6	2.1		2.1
21.0	Assignment to Washington Travel			0	9.7		9.7			0
21.0	Home Leave Travel	0		0			0	2.1		2.1
21.0	R & R Travel	7.4		7.4	7.6		7.6	6.4		6.4
21.0	Education Travel			0			0			0
21.0	Evacuation Travel			0			0			0
21.0	Retirement Travel			0			0			0
21.0	Pre-Employment Invitational Travel			0			0			0
21.0	Other Mandatory/Statutory Travel	3		3	3.1		3.1	3.2		3.2
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0			0			0
21.0	Site Visits - Mission Personnel	3.2		3.2	4.8		4.8	5		5
21.0	Conferences/Seminars/Meetings/Retreats	5.5		5.5	5.7		5.7	5.8		5.8
21.0	Assessment Travel			0			0			0
21.0	Impact Evaluation Travel			0			0			0
21.0	Disaster Travel (to respond to specific disasters)			0			0			0
21.0	Recruitment Travel			0			0			0
21.0	Other Operational Travel			0			0			0
	Subtotal OC 21.0	43.1	0	43.1	57	0	57	39.5	0	39.5
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	20		20	41.2		41.2	21.2		21.2
22.0	Home Leave Freight			0			0			0
22.0	Retirement Freight			0			0			0
22.0	Transportation/Freight for Office Furniture/Equip.			0			0			0

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	Controller's Office	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0	Transportation/Freight for Res. Furniture/Equip.			0			0			0
	Subtotal OC 22.0	20	0	20	41.2	0	41.2	21.2	0	21.2
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	80		80	80		80	80		80
23.2	Rental Payments to Others - Warehouse Space			0			0			0
23.2	Rental Payments to Others - Residences	79		79	79		79	82.1		82.1
	Subtotal OC 23.2	159	0	159	159	0	159	162.1	0	162.1
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	3		3	3.1		3.1	3.2		3.2
23.3	Residential Utilities	7.8		7.8	8.1		8.1	8.3		8.3
23.3	Telephone Costs	5.5		5.5	5.6		5.6	5.8		5.8
23.3	ADP Software Leases			0			0			0
23.3	ADP Hardware Lease			0			0			0
23.3	Commercial Time Sharing			0			0			0
23.3	Postal Fees (Other than APO Mail)			0			0			0
23.3	Other Mail Service Costs			0			0			0
23.3	Courier Services	0.2		0.2	0.2		0.2	0.2		0.2
	Subtotal OC 23.3	16.5	0	16.5	17	0	17	17.5	0	17.5
24.0	Printing and Reproduction			0			0			0
	Subtotal OC 24.0	0	0	0	0	0	0	0	0	0
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0
25.1	Management & Professional Support Services			0			0			0
25.1	Engineering & Technical Services			0			0			0
	Subtotal OC 25.1	0	0	0	0	0	0	0	0	0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	4.5		4.5	5.9		5.9	6.1		6.1
25.2	Residential Security Guard Services	37.5		37.5	38.6		38.6	39.8		39.8
25.2	Official Residential Expenses			0			0			0
25.2	Representation Allowances			0			0			0
25.2	Non-Federal Audits			0			0			0

OPERATING EXPENSES

Org. Title:		Overseas Mission Budgets								
Org. No:		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	Controller's Office	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2	Grievances/Investigations			0			0			0
25.2	Insurance and Vehicle Registration Fees			0			0			0
25.2	Vehicle Rental			0			0			0
25.2	Manpower Contracts			0			0			0
25.2	Records Declassification & Other Records Services			0			0			0
25.2	Recruiting activities			0			0			0
25.2	Penalty Interest Payments			0			0			0
25.2	Other Miscellaneous Services	2.1		2.1	2.2		2.2	2.3		2.3
25.2	Staff training contracts	3		3	3.1		3.1	3.2		3.2
25.2	ADP related contracts	1.9		1.9	1.9		1.9	2		2
	Subtotal OC 25.2	49	0	49	51.7	0	51.7	53.4	0	53.4
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	75		75	77.3		77.3	79.6		79.6
25.3	All Other Services from Other Gov't. accounts			0			0			0
	Subtotal OC 25.3	75	0	75	77.3	0	77.3	79.6	0	79.6
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	3		3	1.5		1.5	1.6		1.6
25.4	Residential Building Maintenance	6.5		6.5	1.5		1.5	1.6		1.6
	Subtotal OC 25.4	9.5	0	9.5	3	0	3	3.2	0	3.2
25.6	Medical Care									
	Subtotal OC 25.6	0	0	0	0	0	0	0	0	0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	0.8		0.8	0.8		0.8	0.8		0.8
25.7	Storage Services			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	0.8		0.8	0.8		0.8	0.8		0.8
25.7	Vehicle Repair and Maintenance	0.8		0.8	0.8		0.8	0.8		0.8
25.7	Residential Furniture/Equip. Repair and Maintenance	0.8		0.8	0.8		0.8	0.8		0.8
	Subtotal OC 25.7	3.2	0	3.2	3.2	0	3.2	3.2	0	3.2
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0

OPERATING EXPENSES

Org. Title: USAID/Caucasus - Georgia		Overseas Mission Budgets								
Org. No: 114		FY 2000 Estimate			FY 2001 Target			FY 2002 Target		
OC	Controller's Office	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
26.0	Supplies and materials	9.2		9.2	9.4		9.4	9.5		9.5
	Subtotal OC 26.0	9.2	0	9.2	9.4	0	9.4	9.5	0	9.5
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	5		5			0			0
31.0	Purchase of Office Furniture/Equip.	9.5		9.5	4.5		4.5	2		2
31.0	Purchase of Vehicles			0	4.5		4.5			0
31.0	Purchase of Printing/Graphics Equipment			0			0			0
31.0	ADP Hardware purchases	6.5		6.5			0			0
31.0	ADP Software purchases	0.8		0.8	0.8		0.8	0.8		0.8
	Subtotal OC 31.0	21.8	0	21.8	9.8	0	9.8	2.8	0	2.8
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0
32.0	Building Renovations/Alterations - Office			0			0			0
32.0	Building Renovations/Alterations - Residential			0			0			0
	Subtotal OC 32.0	0	0	0	0	0	0	0	0	0
42.0	Claims and indemnities			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		608.3	0	608.3	664.4	0	664.4	647	0	647

Additional Mandatory Information

Dollars Used for Local Currency Purchases

31.5

33

32

Exchange Rate Used in Computations

2 _____

2 _____

2 _____

If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal:

0

0

0

Supplemental Information Annexes

Annex 1 - Environmental Impact

Component 1 – Plan of New or Amended IEEs

SO 1.3 None

SO 1.5 Electricity Sector Reform, Support to Local Distribution Companies, July 2000
Regional Water Management, Sector Assessment, July 2000

SO 2.2 None

SO 2.3 None

SO 3.1 UNICEF, Immunization Program, March 2000

Georgia Assistance Initiative, Agriculture inputs, July 2000

International Federation of the Red Cross (IFRC), Community development and shelter,
Dec 2000

SO 4.1 None

SO 4.2 None

Component 2 – IEE Compliance

All activities are in compliance with their corresponding IEEs, EAs or CEs.

Annex 2 – Updated Results Framework

SO 1.3 – Accelerated Development and Growth of Private Enterprises

- IR 1.3.1 – Increased Access to Credit by Domestic SMEs and Micro-entrepreneurs
- IR 1.3.2 – Reduced Transactions Costs for Enterprises
 - IR 1.3.2.1 – Improved Policy, Legal and Operating Environment for SMEs
 - IR 1.3.2.2 – Improved Efficiency of Banking Sector
 - IR 1.3.2.3 – Services Provided to Entrepreneurs and Enterprises by Business Associations
- IR 1.3.3 – Functioning Land and Real Estate Market to Support SME Growth
- IR 1.3.4 – Selected Agribusiness Opportunities Identified and Facilitated

SO 1.5 – A More Economically Efficient and Environmentally Sustainable Energy Sector

- IR 1.5.1 – Increased Private Sector Participation in Energy Sector
- IR 1.5.2 – Legal and Regulatory Environment More Conducive to Private Investment in the Energy Sector
- IR 1.5.3 – Environmental Sound Laws Adopted and Implemented an Energy Sector
- IR 1.5.4 – Increased Efficiency in the Energy Sector

SO 2.2 – Legal System That Better Supports Implementation of Democratic Processes and Market Reforms

- IR 2.2.1 – Increased Access to Administration of Justice
 - IR 2.2.1.1 – Increased Public Awareness of Legal Rights
 - IR 2.2.1.2 – Increased Availability of Effective Counsel
- IR 2.2.2 – Effective, Transparent, and Fair Public and Private Legal Sector Institutions
 - IR 2.2.2.1 – Court Monitoring Introduced
 - IR 2.2.2.2 – Increased Independence of the Judiciary
 - IR 2.2.2.3 – Increased Institutional Capacity (Parliament, Judiciary, Executive, Legal Profession, Associations, etc.)
- IR 2.2.3 – Policies, Laws and regulations Promoting Democratic Processes and Market Reform Established

SO 2.3 – More Efficient and Responsive Local Governance

- IR 2.3.1 – Increased Community Participation in Local Government Oversight and Political Processes
 - IR 2.3.1.1 – Increased Availability and Access to Different Sources of Objective Information
 - IR 2.3.1.2 – Increased Representation of Constituent Needs
- IR 2.3.2 – Increased Capacity of Local Governments to Plan and Manage Resources Efficiently
 - IR 2.3.2.1 – Legal Authorities of Local Government Established
 - IR 2.3.2.2 – Better Defined Roles of Local and Central Government
 - IR 2.3.2.3 – Enhanced Skills of Local Government Staff
- IR 2.3.3 – Increased Partnerships Between Local Government, Business and Communities to Provide Services

SO 3.1 – Reduced Human Suffering in Targeted Communities

IR 3.1.1 – Urgent Needs Met During Crisis

IR 3.1.2 – Vulnerable Communities Better Able to Meet Own Needs

IR 3.1.2.1 – Increased Capacity to Deliver Health and Other Services

IR 3.1.2.2 – More Active Participation of Vulnerable Groups in the Economy

SO 4.1 – Special Initiatives: Targeted Privatization Activities

SO 4.2 – Cross-cutting Programs: Training and Small Grants Programs

Annex 3 - Success stories

International Rescue Committee Self Reliance Program Success Story

Shakro Silagadze is an IDP living in Kutaisi in the Sakhulmshenebeli Kombinat Collective Center. On March 12, 1999 he received a loan from the IRC Self Reliance Program in the amount of 1,116 GEL (\$570) in order to purchase 2 cows and fodder. Prior to receiving the loan he had one cow, which he had brought with him from Abkhazia. This cow produced only enough milk to feed Mr. Silagadze's six family members. After receiving the loan Mr. Silagadze built a cowshed to house his three cows.

With the income from the three cows Mr. Silagadze has rented land in the Imereti region and is growing his own fodder, which decreases his production costs. Mr. Silagadze produces cheese and yogurt, which he sells in Kutaisi market and the collective center where he lives. His monthly sales are approximately 250 GEL (\$127), and his monthly costs are between 50-60 GEL per month (\$25 to \$30), which leaves him a profit of 190-200 GEL per month (\$96 to \$102). This monthly profit is used to support Mr. Silagadze's six family members, of which three are school-aged children and three are elderly people.

Mr. Silagadze has recently paid off his first loans, and has applied for a second loan to purchase three more cows. Mr. Silagadze is saving as much as possible, and hopes to use the profits from this second loan to purchase a flat in Kutaisi.

Annex 4 - Global Climate Change

I. Increased Participation in the UNFCCC

Not Applicable

II. Reduced Greenhouse Gas Emissions from the Land Use, Forestry Activities, and Natural Resource Management

Not Applicable

III. Reduced Greenhouse Gas Emissions from the Energy Sector, Industry, and Urban Areas

A. Energy Sector, Industrial, and Urban Activities (including audits)

Not Applicable

B. Policy Advances

USAID's assistance in the energy sector focuses on the legal and policy reforms necessary to attract private investments into the sector. A new oil and gas law, drafted with USAID-provided technical assistance, was adopted by the Georgian Parliament in April 1999. This law promotes the exploration and production of oil and gas by private investors in an environmentally sound and economically sustainable manner. The formation of a State Agency for Oil and Gas was codified to administer and simplify the permitting and licensing procedures in a one-stop shop. By increasing the supply of alternative energy sources, consumers (and most notably industry) will select the most economic and efficient energy source reducing the demand on electricity. USAID-funded technical assistance continues to work with the new Agency to improve the technical skills and operational procedures for issuing new agreements.

USAID also assist the Georgian National Energy Regulatory Commission (GNERC) to: implement established policy for approval of rate change applications; provide new licenses for the supply and distribution of electricity and natural gas to customers; and improve technical skills in financial and economic analysis of private investments in the sector. Further assistance will be provided to improve the transparent operations of the Commission to its customers.

The establishment of the Wholesale Electric Market (WEM) in July 1999 facilitates the payment to electricity suppliers (predominantly now in private hands) for power taken from the national grid. In many instances the power suppliers are being paid for the first time in years permitting them to undertake much needed routine maintenance. As the quantity of power supplied to the grid reaches the total amount demanded by customers, the WEM will function in a manner to promote least-cost generation and efficient use of electricity. USAID-funded technical assistance

established the accounting system and operating procedures for the WEM. USAID is currently working in conjunction with the World Bank, EBRD, and other donors to put in place a management contract with a western firm covering the WEM's functions.

C. Public and Private funding Leveraged

Not Applicable

D. Institutional Capacity Strengthened

As noted under section B above, substantial technical assistance and training was provided over the year to improve the technical and operational procedures of the State Agency for Oil and Gas, GNERC, and the WEM. Assistance included: procurement of computers and associated software; drafting and implementation of procedures; and skills training. Study tours and seminars introduced best-practices and fostered regional integration in the sector. Training will continue over the coming year focusing on transparency of the systems and anti-corruption.

IV. Other Climate Change Activities

Not Applicable

Table 14

Result 3: Reduced Net Greenhouse Gas Emissions from the Energy Sector, Industry and Urban Areas

Indicator 6b: Technical Capacity Strengthened through Workshops, Research, and/or Training Activities

Category	Types of Support Provided (mark with an "X" for each category)		List the Activities that Contribute to Each Capacity Building Category	SO Number for Activity	CN/TN Number for Activity
	Training	Technical Assistance			
Example: Use of renewable energy technologies	1	1	Developed sustainable markets for renewable energy technologies. Over 200 renewable energy systems installed. Training for utilities, government officials, NGOs. Study on renewable energy applications completed.	2.4	CN-577-92
Improved demand-side management or integrated resource planning					
Competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, or allow open access to independent providers	X	X	Training and technical assistance for utilities, government officials, and regulators providing for market-based pricing and transparency in licensing of energy providers.		
Installation of energy efficient or other greenhouse gas reducing technologies, including improved efficiencies in industrial processes					
Use of renewable energy technologies					
Use of cleaner fossil fuels (cleaner coal or natural gas)					
Introduction of cleaner modes of transportation and efficient transportation systems					
Use of cogeneration					
Other (describe)					
Other					
Other					
Other					
Other					
Total number of points for Training/Technical Assistance:	0	0			

Annex 5 - E&E R4 Detailed Budget Information

See attached table

ANNEX 5 - E&E Detailed Budget Plan

USAID/Caucasus - Georgia

SO	PROJECT / ACTIVITY	FY2000 OYB	FY2001 Plan	FY2002 Plan
3.1	110-0001 HUMANITARIAN RESPONSE	7,050,000	7,065,000	8,065,000
	1. Emergency Humanitarian Assistance			
	1.1 Vulnerable Groups Feeding	500,000	100,000	100,000
	Salvation Army	500,000	100,000	100,000
	1.2 PVO Caucasus/Humanitarian Program	6,040,000	5,000,000	6,200,000
	Georgia Community Mobilization Initiative (GCMI)	6,040,000	5,000,000	6,200,000
	1.6 Multilateral Humanitarian Assistance	100,000	1,600,000	1,400,000
	IFRC - Disaster Response Program		1,000,000	1,000,000
	IRC - Self-Reliance Program	-	600,000	400,000
	WFP Logistics Support	100,000		
	2. Admin/Tech Support	410,000	365,000	365,000
	USPSC - Georgia Humanitarian Assistant	126,770		
	Admin Expenses (Mega MAARD)	147,872		
	USPSC - Regional HR/ST	100,000		
	FSN - Humanitarian Program Assistant	10,000		
	TBD	25,358	365,000	365,000
1.5	110-0002 ENERGY RESTRUCTURING	6,000,000	7,500,000	9,000,000
	1. Pricing & National Policy	4,159,000	5,150,000	4,650,000
	Electricity & Gas Sector Reform	3,659,000	4,650,000	4,150,000
	Georgia USEA Partnerships	300,000	300,000	300,000
	ISAR (CEPI)	200,000	200,000	200,000
	3. Energy Subsector Restructuring			
	3.1 Production Delivery Systems	1,500,000	2,000,000	4,000,000
	Regional Energy Linkages	500,000		
	Regional Water Assessment	1,000,000	2,000,000	4,000,000
	6. Admin/Tech Support	341,000	350,000	350,000
	Admin Expenses (Mega MAARD)	91,000		
	NPS - Dept of Interior	50,000		
	TBD	200,000	350,000	350,000
3.1	110-0004 HEALTH CARE	4,035,000	3,935,000	3,935,000
	1. Medical Partnerships	672,935	1,000,000	1,000,000
	AIHA	672,935	1,000,000	1,000,000
	2. Vaccine & Pharmaceutical Security	400,000	1,000,000	1,000,000
	UNICEF		600,000	600,000
	Infectious Disease - BASICS	400,000	400,000	400,000
	3. Community Health	1,712,065	600,000	600,000
	GCMI - Health		600,000	600,000
	Other Health - TBD	1,712,065		
	5. Women's Health/Family Planning	1,050,000	1,050,000	1,050,000
	Maternal/Child Health - TASC	350,000	350,000	350,000
	Family Planning	700,000	700,000	700,000
	6. Admin/Tech Support	200,000	285,000	285,000
	USPSC Regional Health Specialist	142,000		
	Admin Expenses (Mega MAARD)	55,286		
	TBD	2,714	285,000	285,000
	110-0005 PRIVATE SECTOR	16,038,928	8,800,000	7,300,000

ANNEX 5 - E&E Detailed Budget Plan

USAID/Caucasus - Georgia

SO	PROJECT / ACTIVITY	FY2000 OYB	FY2001 Plan	FY2002 Plan
4.1	1. Privatization	1,000,000	450,000	-
	Targeted Privatization	1,000,000	450,000	
1.3	2. Land Markets	2,500,000	1,500,000	1,000,000
	Land Market Reform - Booz Allen	2,500,000	1,500,000	1,000,000
1.3	6. Policy, Legal and Regulatory Reform	4,500,000	1,000,000	-
	Accounting Reform - Sibley Int.	2,000,000		
	Tax and Fiscal Reform - KPMG (Barents)	2,000,000	1,000,000	
	Tax Regulations	500,000		
1.3	7. Small and New Business	4,200,000	5,300,000	5,500,000
	SME Development	3,500,000	3,000,000	3,500,000
	SME Credit		2,000,000	2,000,000
	Microfinance - SCF/Constanta	700,000	300,000	
	8. Trade and Investment			
1.3	8.1 Capital Markets	3,138,928	-	-
	Capital Markets - Barents	3,138,928		
1.3	9. Admin/Tech Support	700,000	550,000	800,000
	Public Sector Acct. Assessment	50,000		
	Assessment: Laws Affecting Microfinance	150,000		
	Admin Expenses (Mega MAARD)	91,000		
	TBD	409,000	550,000	800,000
1.3	110-0006 FOOD SYSTEMS	2,150,000	2,600,000	2,650,000
	3. Agri-Business Partnerships	2,000,000	2,000,000	2,000,000
	Agribusiness Support	2,000,000	2,000,000	2,000,000
	5. Admin/Tech Support	150,000	600,000	650,000
	Admin Expenses (Mega MAARD)	66,000		
	TBD	84,000	600,000	650,000

ANNEX 5 - E&E Detailed Budget Plan

USAID/Caucasus - Georgia

SO	PROJECT / ACTIVITY	FY2000 OYB	FY2001 Plan	FY2002 Plan
	110-0007 DEMOCRACY & GOVERNANCE	8,200,000	8,550,000	10,500,000
2.3	1. Political Processes	421,000	1,500,000	1,500,000
	NDI	121,000	1,000,000	1,000,000
	IRI	300,000	500,000	500,000
2.2	2. Rule of Law	2,950,000	2,000,000	5,600,000
	Rule of Law	2,450,000	1,125,000	4,750,000
	ABA/CEELI		875,000	850,000
	Budget Survey of Court System	500,000		
2.3	3. Public Admin. / Local Government	2,329,000	2,250,000	2,400,000
	Local Governance Reform	2,329,000	2,250,000	2,400,000
2.3	4. Civil Society (PVO/NGO)	700,000	700,000	-
	NGO Development - Horizonti	700,000	700,000	
2.3	5. Independent Media	1,200,000	1,100,000	-
	Print Media Dev'p - ICFJ	300,000	300,000	
	Internews	900,000	800,000	
2.3	6. Admin/Tech Support	600,000	1,000,000	1,000,000
	Studies & Surveys	106,000		
	USPSC ROL Advisor	100,000		
	USPSC LG Advisor	186,568		
	FSN PSC ROL Specialist	20,000		
	FSN PSC Civil Society Specialist	20,000		
	FSN PSC LG Specialist	20,000		
	FSN PSC Admin Assistant	15,000		
	FSN PSC Secretary	15,000		
	FSN PSC Driver	10,000		
	Vehicle Spare Parts	825		
	ICASS	66,600		
	Office Rent/Recurring Obligations	40,007		
	TBD		1,000,000	1,000,000

ANNEX 5 - E&E Detailed Budget Plan

USAID/Caucasus - Georgia

SO	PROJECT / ACTIVITY	FY2000 OYB	FY2001 Plan	FY2002 Plan
1.3	110-0009 ECONOMIC RESTRUCTURING	4,126,072	3,550,000	7,550,000
	1. Fiscal Reforms	3,470,000	2,350,000	2,850,000
	Electronic Payment Systems - Montran	150,000		
	Banking Supervision - Booz Allen	2,000,000	2,000,000	2,000,000
	Banking Finance Academy		200,000	700,000
	Bankruptcy - Booz Allen	200,000		
	Private Property Register - Booz Allen	500,000		
	Financial Services - FSVC		150,000	150,000
	Chamber of Control	620,000		
	3. Market Environment	200,000	1,000,000	4,000,000
	Economic Policy / Commercial Law		1,000,000	1,000,000
	Economic Policy - CEPAR			1,000,000
	Market Development			2,000,000
	Economic Policy / Public Education - OSC	200,000		
	4. Admin/Tech Support	456,072	200,000	700,000
	Admin Expenses (Mega MAARD)	52,000		
	TBD	404,072	200,000	700,000
4.2	110-0010 EURASIA FOUNDATION	2,000,000	2,000,000	2,000,000
	Eurasia Foundation	2,000,000	2,000,000	2,000,000
4.2	110-0012 EXCHANGES AND TRAINING	3,000,000	3,000,000	3,000,000
	1. Participant Training	2,800,000	2,800,000	2,800,000
	Participant Training - AED	2,800,000	2,800,000	2,800,000
	4. Admin/Tech Support	200,000	200,000	200,000
	TBD	200,000	200,000	200,000
USAID Total		52,600,000	47,000,000	54,000,000
	PERFORMANCE FUND	\$8,740,000		
	TRANSFERS	\$47,060,000		
	Public Diplomacy (EX-USIA)	7,000,000		
	Partnerships/Dem.Commis.	3,000,000		
	Exchanges	4,000,000		
	State Humanitarian Transport	2,000,000		
	Law Enforcement	500,000		
	DOJ	1,500,000		
	DOC-BISNIS	60,000		
	Treasury TA	1,000,000		
	Expanded Treat Reduction Assistance	35,000,000		
	Science Centers	3,000,000		
	NSF/CRDF	2,000,000		
	Border Security/Export Control	20,000,000		
	Military/AMMO Relocation	10,000,000		
GRAND TOTAL (for Georgia)		\$108,400,000	\$47,000,000	\$54,000,000

Annex 6 - Supplemental Information for SO 1.3 Accelerated Growth and Development of Private Enterprise

IR 1.4.2 Increased public confidence in the banking system – (Now merged into SO 1.3 under IR 1.3.2.2 Improved Efficiency of Banking Sector) The lack of confidence in banks stems primarily from past losses from hyperinflation, the significant number of banks that have folded since 1995, and the ability of tax authorities to intercept accounts when households or enterprises are considered in arrears on tax payments. Despite these concerns, household deposits increased as a share of total deposits from 18.5 percent in 1995 to 33 percent in 1997. In 1998, there was a slight 3 percent drop. In 1999 there was an increase of 1.4 percent. Interest rate spreads stayed stable at around 27.5 percent. Contributing to these positive trends, USAID continued to conduct a broad array of training courses for Georgia's commercial bankers under the Caucasus Banker Training Program, covering a diverse range of topics such as credit analysis, project finance, customer service, trade finance, bank cards, internal audit, and international accounting standards. To ensure sustainability, USAID sought to increase the capacity of Georgians to provide this training.

In consultation with the IMF and NBG, USAID has developed a bank supervision activity to upgrade the NBG's capacity for on-site and off-site analysis of commercial banks, resolution of problem banks, and use of IAS and bank regulatory reporting. This assistance will help ensure the efficient regulation of the banking sector in accordance with Georgian law, promote broad and fair access to credit, and include anti-corruption and anti-money laundering initiatives. This institutional upgrade of Georgia's central bank, carried out with IMF support, should contribute to the soundness and safety of commercial bank operations in Georgia, thus increasing the public's confidence in their banking system. Shorebank's work with existing commercial banks in extending credit to qualified SMEs, and similar programs sponsored by other donors, are designed to strengthen commercial bank responsiveness to Georgia's legitimate credit needs. In the process, all these actions will also help improve the public image of banks.

SO 1.2 Increased Soundness of Fiscal Policies and Management Practices – Georgia has the lowest tax revenue/GDP ratio in the NIS compared to an average of nearly three times its level in other NIS countries. The budget deficit is expected to be in the order of 300 million Lari (GEL) (\$150 million), with the bulk of the deficit accumulated in the last half of the year around the time shortly before and after the Parliamentary elections. In an effort to correct this problem as soon as possible, USAID and the U.S. Treasury, with the support of the World Bank and the IMF, along with their GOG counterparts, devised a short term revenue mobilization plan that focused the efforts of newly formed enforcement teams in the control of white oils and excise stamps. In addition, USAID will shortly be signing an MOU and a detailed implementation plan that will fundamentally restructure the Tax Department, which is now, along with Customs, a part of a newly formed Ministry of Revenue (MOR). The comprehensive plan intends to guarantee a living wage to the employees of the tax department, reduce the number of employees by around 40 percent, replace the management of the Regional Tax Inspectorates (RTI's), and test the employees of the tax department against the skills required for each job in the Tax Department. Organizationally the number of full RTI's will be reduced from 74 to around 30 and those full RTI's will be restructured along functional lines, computerized, and linked by a communication system. The entire reform effort will be supported by USAID. As part of the

overall USG effort to assist the MOR, the U.S. Treasury Department has placed a long-term advisor in the Tax Department to develop an internal control system.

Performance of this SO fell somewhat short of expectations in FY 1999. The efforts expended by USAID in 1999, through the Barents Group and the U.S. Treasury, in collaboration with the IMF, did not translate into a smaller deficit. As of the end of the third quarter, collections by the Tax Department were 8 percent over last year while collections from Customs had fallen by 60 percent. It should be pointed out that the tax department met 100 percent of the targets for collection allocated to it by the Ministry of Finance. There were two bright spots in the tax reform area. USAID help introduce excise stamps on cigarettes which raised over 60 million GEL (\$30 million). In addition USAID designed a program to collect arrears at the Large Tax Inspectorate (LTI) which collected several million Lari. The prospects for FY 2000 depend very much on the political support that will be given by the President to the new reform minded Minister of Revenue, who has signed a Memorandum of Understanding with USAID for the comprehensive plan of reform for the Tax Department.

Market-oriented budget and financial system for national and regional governments – The Parliamentary Budget Office was established in March 1998, and has developed the capacity to provide reliable budget projections, results analyses, and action recommendations to the Parliament. In addition, a Fiscal Reform Apparatus of fiscal analysts and macroeconomic and budget advisors was formed within the Ministry of Finance. The training and institutional strengthening efforts in the budget area led to significant improvements in the process of preparing the 2000 budget. A Citizen's Guide to the Georgian Budget was published, promoting greater public understanding of this process that affects the well-being of all Georgians.